

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF BUDGET BRIEFING
DEPARTMENT OF PERSONNEL**

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

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TABLE OF CONTENTS

Department Overview 1

Department Budget: Recent Appropriations..... 2

Department Budget: Graphic Overview 3

General Factors Driving the Budget 5

Summary: FY 2012-13 Appropriation & FY 2013-14 Request 8

Issues:

 Legislative Audio Tape Digitization, A Legislative Digital Records Policy,
 and R-4: Preservation of Historical Records at the Colorado State Archives 12

 R-1: Central Contracts Unit Resources 17

 Address Confidentiality Program Funding 23

 CP-1 and CP-2 – Operating Common Policy Requests,
 Operating Common Policy Base Adjustments, and Fleet Management 27

 R-2: Tax Document Processing Pipeline Efficiencies
 and R-3: Resources for COFRS II eProcurement 34

Appendices:

 A - Numbers Pages 39

 B - Recent Legislation Affecting Department Budget..... 66

 C - Update on Long Bill Footnotes & Requests for Information 68

 D - Indirect Cost Assessment Methodology 71

 E - Change Requests' Relationship to Performance Measures 72

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), and the Address Confidentiality Program.

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.

The **State Office of Risk Management** in the Division of Human Resources administers and negotiates 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, State Fleet Management, and Facilities Maintenance.

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

State 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** maintains the state's financial records, in part through the Colorado Financial Records System (COFRS), the state's accounting system.

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.

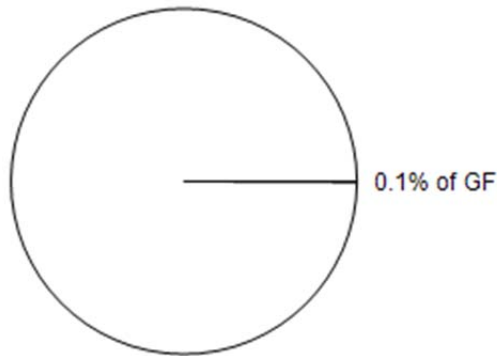
Department Budget: Recent Appropriations

Funding Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 *
General Fund	\$5,104,155	\$4,118,272	\$6,596,233	\$5,682,518
Cash Funds	10,654,935	11,770,207	11,997,536	14,286,437
Reappropriated Funds	145,004,592	141,948,754	141,427,803	149,919,929
Federal Funds				
Total Funds	\$160,763,682	\$157,837,233	\$160,021,572	\$169,888,884
Full Time Equiv. Staff	391.3	394.3	394.9	393.4

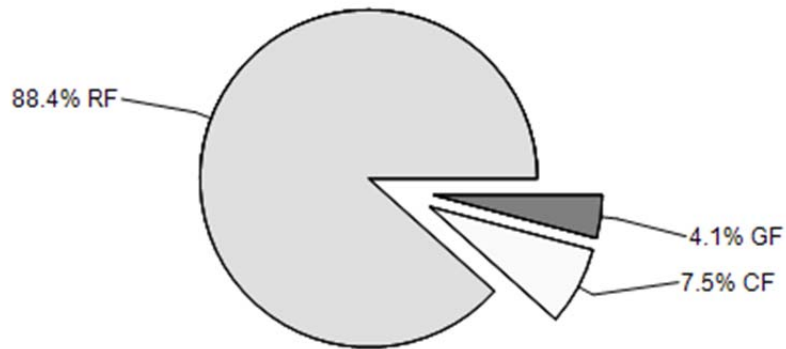
*Requested appropriation.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

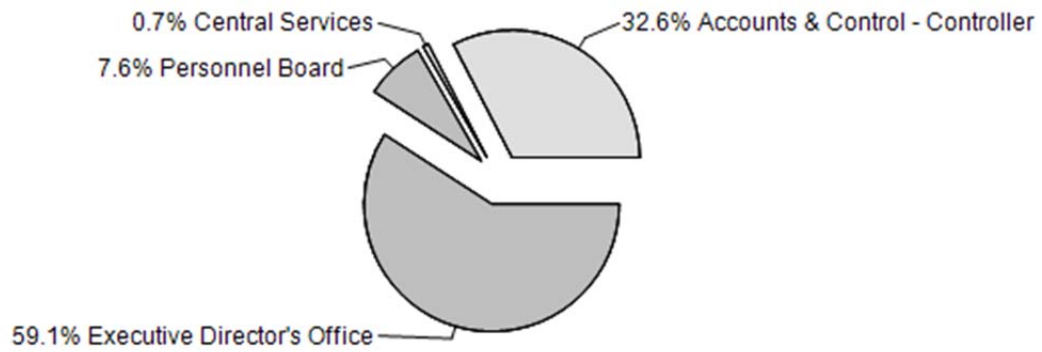


Department Funding Sources

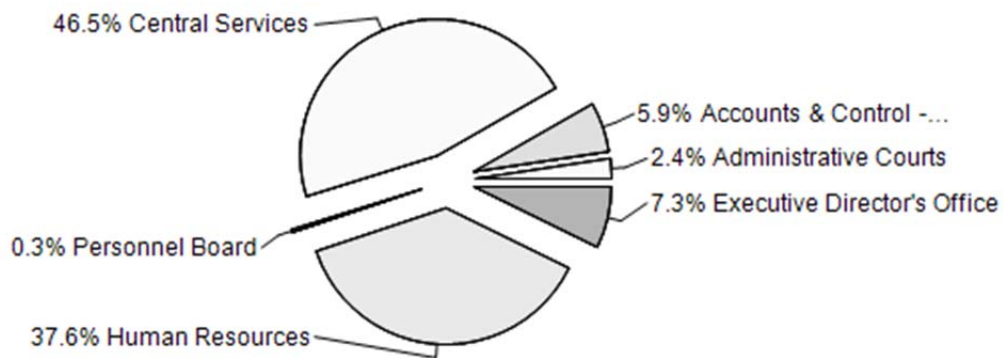


All charts are based on the FY 2012-13 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2012-13 appropriation.

General Factors Driving the Budget

The Department's FY 2013-14 budget request consists of 3.3 percent General Fund, 8.4 percent cash funds, and 88.2 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

The Department administers the state's programs related to employee compensation and benefits. Statewide expenditures for these programs 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 the benefit providers. The following table shows the number of FTE appropriated statewide, *excluding* all employees in the Department of Higher Education.

State Employees (excluding all employees in the Department of Higher Education)						
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY 12-13
Total appropriated FTE	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8

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 of the General Assembly, annual recommendations and estimated costs for salaries and group benefit plans for state employees. The Department did not recommend, nor did the General Assembly fund, salary increases or performance-based pay for FY 2009-10, FY 2010-11, FY 2011-12, or FY 2012-13. The compensation-related common policies briefing addressed issues related to this factor.

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 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 state averaged 1,360 liability claims per year from FY 2008-09 through FY 2011-12.

❑ 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

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

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 averaged 114 property damage claims filed per year from FY 2008-09 through FY 2011-12.

☐ 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. The state averaged 3,800 claims per year from FY 2008-09 through FY 2011-12.

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 Premiums and Administrative Expenses					
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Workers' Comp. Premiums	\$36,202,845	\$40,945,315	\$35,441,933	\$36,376,710	\$38,808,757
Property Premiums	7,997,934	8,121,258	7,881,786	8,527,888	8,698,417
Liability Premiums	<u>6,435,247</u>	<u>4,705,904</u>	<u>5,090,471</u>	<u>5,115,286</u>	<u>4,674,104</u>
TOTAL Premiums	\$50,636,026	\$53,772,477	\$48,414,190	\$50,019,884	\$52,181,278
Liability Legal Services	\$2,325,703	\$2,209,469	\$2,442,448	\$2,412,121	\$2,461,185
Risk Management Admin.	\$823,937	\$754,886	\$888,064	\$875,926	\$874,161
Admin. Expense Percentage*	1.5%	1.3%	1.7%	1.6%	1.6%
TOTAL Risk Management	\$53,785,666	\$56,736,832	\$51,744,702	\$53,307,931	\$55,516,624

*Administrative expense percentage as a percentage of Total Risk Management cost.

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 in the Motor Fleet Management Fund, pursuant to Section 24-30-1115, C.R.S.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Vehicles in the state fleet incur both fixed and variable costs. Fixed costs include vehicle lease payments and the Department's vehicle management fee, and are funded in the Vehicle Lease Payments line item in individual department budgets and paid into the Motor Fleet Management Fund. Variable costs include the cost of maintenance, fuel and auto insurance for agency operated vehicles and are funded in individual department Operating Expenses line items and paid into the Motor Fleet Management Fund.

Vehicle lease payments to finance companies are paid from Fleet's, *Vehicle Replacement Lease, Purchase or Lease/Purchase* line item. The vehicle management fee funds Fleet's administrative overhead including personal services, administrative operating expenses, leased space, statewide indirect costs, and Division of Central Services allocated costs. Fleet's Operating Expenses line item is mostly comprised of statewide fleet operating costs (maintenance, fuel, insurance), with the exception of administrative operating expenses covered by the vehicle management fee.

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.

	Fleet Management Program				
	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Number of Fleet Vehicles	5,800	5,817	5,903	5,912	5,912
Fleet Management Program Total Cost	\$32,744,689	\$31,924,920	\$36,549,682	\$42,633,110	\$42,834,398
Per Vehicle Monthly Management Fee*	\$23.00	\$26.50	\$35.50	\$26.50**	\$35.00

*The management fee shown is for auction pool vehicles, including all state fleet vehicles except Division of Wildlife.

**For FY 2011-12 the management fee was decreased from the cost-recovery calculated fee of \$41.00 to the FY 2009-10 level to reduce the fund balance in the Motor Fleet Management Fund.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Summary: FY 2012-13 Appropriation & FY 2013-14 Request

Department of Personnel					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 12-1335 (Long Bill)	160,064,533	6,639,194	11,997,536	141,427,803	395.4
SB 12-150	(42,961)	(42,961)	0	0	(0.5)
TOTAL	\$160,021,572	\$6,596,233	\$11,997,536	\$141,427,803	394.9
FY 2013-14 Requested Appropriation:					
FY 2012-13 Appropriation	\$160,021,572	\$6,596,233	\$11,997,536	\$141,427,803	394.9
R-1: Central Contracts Unit Resources	194,783	194,783	0	0	1.8
R-2: Tax Document Processing Pipeline Efficiencies	(41,236)	0	0	(41,236)	(7.2)
R-3: Resources for COFRS II eProcurement	1,566,423	0	1,566,423	0	3.0
R-4: Preservation of Historical Records at State Archives	371,830	371,830	0	0	0.9
R-5: Departmental Technical Funding Adjustments	0	0	0	0	0.0
CP-1: Capitol Complex Building Upgrade	803,111	0	0	803,111	0.0
CP-2: Employee Engagement Survey	215,000	0	0	215,000	0.0
Operating Common Policy Base Adjustments	3,589,679	0	12,224	3,577,455	0.0
NPI-1: Capitol Complex Building Upgrade	125,655	80,813	13,446	31,396	0.0
NPI-2: Employee Engagement Survey Adjustment	2,349	623	214	1,512	0.0
NPI-3: OIT Enterprise Asset Management	6,301	1,669	575	4,057	0.0
NPI-4 to NPI-8: Fleet-Related Requests From Other Departments	50,380	0	0	50,380	0.0
Compensation-related Common Policy Adjustments	1,266,629	270,696	107,594	888,339	0.0
OIT Common Policy Adjustments	1,245,730	278,086	26,908	940,736	0.0
Operating Common Policy Adjustments	1,056,580	638,206	176,947	241,427	0.0
Indirect Cost Assessment Adjustments	732,917	0	(97,476)	830,393	0.0
Prior Year Annualizations	(712,937)	0	(300,000)	(412,937)	0.0
Other Technical and Base Adjustments	(605,882)	(2,750,421)	782,046	1,362,493	0.0
TOTAL	\$169,888,884	5,682,518	\$14,286,437	\$149,919,929	393.4
Increase/(Decrease)	\$9,867,312	(\$913,715)	\$2,288,901	\$8,492,126	(1.5)
Percentage Change	6.2%	(13.9%)	19.1%	6.0%	(0.4%)

Description of Requested Changes

R-1: Central Contracts Unit Resources: The request includes a \$194,783 increase in General Fund and 1.8 FTE for the Central Contracts unit within the Office of the State Controller to more effectively review and monitor high-risk contracts for state agencies.

R-2: Tax Document Processing Pipeline Efficiencies: The request includes a \$41,236 decrease in reappropriated funds and a reduction of 7.2 FTE to account for efficiencies gained through the *Department of Revenue Pipeline Lean Project*. A personal services decrease of \$262,743 is partially offset by an increase in operating expenses of \$221,507 in FY 2013-14 for the new process scheduled for implementation January 1, 2014. In FY 2014-15 the Department will realize a full year of savings in personal services totaling \$525,486 and 14.5 FTE, while ongoing operating expenses decrease to \$135,517. The Department has also submitted a corresponding Capital Construction request for FY 2013-14 related to this project.

R-3: Resources for COFRS II eProcurement: The request includes a \$1,566,423 increase in cash fund spending authority and 3.0 FTE for resources related to the *e-procurement system*, that entails a request for ongoing implementation and integration with COFRS II.

R-4: Preservation of Historical Records at State Archives: The request includes a \$371,830 increase in General Fund and 0.9 FTE for the preservation of permanent legal and historical records at the Colorado State Archives.

R-5: Departmental Technical Funding Adjustments: The request includes cumulative adjustments across the Department that are budget neutral to more efficiently align resources with Department needs.

CP-1: Capitol Complex Building Upgrade: The request includes a \$803,111 increase in reappropriated funds for allocation through the *Capitol Complex Leased Space* line item for maintenance and building upgrades. The request includes a \$303,111 request for reinstatement of operating reductions taken during the economic downturn and a \$500,000 base adjustment to address safety and infrastructure needs for Capitol Complex buildings.

CP-2: Employee Engagement Survey: The request includes a \$215,000 increase in reappropriated funds for allocation through the *Payment to Risk Management and Property Funds* line item to fund a biennial survey to gauge state employees' attitudes and satisfaction and identify trends developing within the workforce.

Operating Common Policy Base Adjustments: The request includes a \$3.6 million increase in predominantly reappropriated funds spending authority for *Workers' Compensation Premiums*, *Liability Premiums* and *Legal Services*, *Property Premiums*, and *Capitol Complex Utilities* line items as follows: a *Workers' Compensation Premiums* increase of \$2.4 million; a *Liability Legal Services* increase of \$595,275; a *Liability Premiums* increase of \$303,625; a *Property Premiums* decrease of \$443,586; and a *Capitol Complex Utilities* increase of \$703,043. Allocation to state agencies through the *Workers' Compensation*, *Risk Management and Property Funds*, and *Payment to Capitol Complex Leased Space* line items also include adjustments for fund balance.

NPI-1: Capitol Complex Building Upgrades: The request includes a \$125,655 increase in total funds to support the Department's share of building maintenance and upgrades for the State's Capitol Complex. *This request item is addressed above in CP-1; this reflects the adjustment for the Department's share.*

NPI-2: Employee Engagement Survey Adjustment: The request includes a \$2,349 increase in total funds to support the Department's share of a survey to gauge state employees' attitudes toward their work and their work environment, their overall satisfaction, and trends developing within the workforce. *This request item is addressed above in CP-2; this reflects the adjustment for the Department's share.*

NPI-3: OIT Enterprise Management: The request includes a \$6,301 increase in total funds to support the Department's share of an executive branch information technology asset management program and corresponding data system. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology scheduled for today, December 10, 2012.*

NPI-4 to NPI-8: Fleet-Related Requests From Other Departments: The request includes a \$50,380 increase in reappropriated funds spending authority for the *Vehicle Replacement Lease, Purchase, or Lease/Purchase* line item for new vehicle-related requests from the Department of Corrections and the Department of Natural Resources. *Those request items will be addressed in separate staff briefings for those departments.*

Compensation-related Common Policy Adjustments: The request includes adjustments to centrally appropriated line items for compensation including the following: salary survey and merit pay; health, life, and dental; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund. *This request item was addressed in a separate staff briefing on Salary and Personnel Benefits on November 16, 2012.*

OIT Common Policy Adjustments: The request includes adjustments to centrally appropriated line items for the following: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology scheduled for today, December 10, 2012.*

Operating Common Policy Adjustments: The request includes adjustments to centrally appropriated line items for the following: workers' compensation and payment to risk management and property; legal services; administrative law judge services; and capitol complex leased space. *This request item is addressed above in CP-1, CP-2, and Operating Common Policy Base Adjustments; this reflects the adjustment for the Department's share.*

Indirect Cost Assessment Adjustments: The request includes a \$732,917 increase in total funds that reflects adjustments to indirect cost assessment lines as a result of the Statewide Indirect Cost Plan. The request includes the following notable adjustments: a \$1.6 million

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

increase in the Facilities Maintenance – Capitol Complex subdivision in the Division of Central Services, a \$536,000 decrease in the Integrated Document Solutions subdivision of the Division of Central Services, and a \$317,000 decrease in the Fleet Management Program and Motor Pool Services subdivision of the Division of Central Services. The Office of the State Controller identified controlled maintenance costs that were being allocated to the Integrated Document Solutions subdivision that should have been allocated to the Facilities Maintenance – Capitol Complex subdivision.

Prior Year Annualizations: The request includes a decrease of \$713,000 total funds to reflect the FY 2013-14 impact of budget actions in 2012, that included funding for the CUBS Collection System (\$300,000) in Collections Services in the Division of Accounts and Control – Controller and for the E-Filing System (\$413,000) in the Office of Administrative Courts.

Other Technical and Base Adjustments: The request includes a \$606,000 decrease in total funds, including a \$2.8 million decrease in General Fund, that predominantly reflects balancing adjustments for statewide indirects and *P-Card* transfers from institutions of higher education in the Office of the State Controller.

Issue: Legislative Audio Tape Digitization, A Legislative Digital Records Policy, and R-4: Preservation of Historical Records at the Colorado State Archives

Legislative audio tapes from 1973 through 2001 at the State Archives are at risk of being completely inaccessible and lost due to tape deterioration, playback machine failure, and digital tape system instability and obsolescence.

SUMMARY:

- Legislative audio records from 1973 through 1981 are currently inaccessible due to machine failure.
- Legislative audio tapes from 1973 through 1998 require digitization due to tape deterioration and proprietary machine failure. Legislative recordings on digital tapes from 1998 through 2001 are also becoming more difficult to access due to unstable proprietary software and an unsupported operating system.
- The Department has received an estimate of \$2.5 million to convert an estimated 250,000 to 500,000 hours of recordings from the 1973 through 1998 legislative audio tapes to digital format, and has requested related resources for a multiple-year digitization project.
- The General Assembly currently lacks a comprehensive digital records policy that includes authentication as defined in the Uniform Electronic Legal Material Act (UELMA) in Article 71.5 of Title 24, C.R.S., regarding the requirements related to the authentication, preservation of digital records, and the availability of preserved digital records, and that takes effect March 31, 2014, as specified in H.B. 12-1209.

RECOMMENDATION:

Staff recommends that the Committee sponsor legislation for the creation of a *legislative digital records policy* advisory committee for developing a plan for the digitization of existing legislative audio tapes and files at the State Archives and a comprehensive legislative digital records policy that includes authentication, and report to the Committee by November 1, 2013.

Further, staff recommends that the Committee ask the Department to specifically identify additional resource needs related to resolving the audio tape playback machine failure issue, through repair or replacement, for consideration in figure-setting for FY 2013-14.

DISCUSSION:

The Department's Request

The Department is requesting 0.9 FTE and \$371,380 General Fund in FY 2013-14, that includes:

- \$71,830 for personal services and compensation-related *pots* for a General Professional IV to fill the role of *Preservation Archivist* to manage the migration, preservation, conservation, and collection integrity planning for the Colorado State Archives; and
- \$300,000 for operating expenses to fund ongoing preservation services.

The Deterioration and Inaccessibility of Legislative Audio Records

The Colorado State Archives is the legal repository for selected records and information generated by state and local governments. The State's permanent legal and historical records repositied at the State Archives are at risk of being permanently lost due to age-related deterioration, and for digital files, due to information technology system obsolescence.

Specifically, legislative recordings from 1973 through 1998 are recorded and stored on analog tapes that are deteriorating. The playback machines for the systems from 1973 through 1998, are failing due to age, and both tapes and machines that were used to record legislative proceedings were proprietary systems that require playback through the available machines at State Archives. Legislative recordings on digital tapes from 1998 through 2001 are also becoming difficult to access due to proprietary software and an unsupported operating system. The following table outlines the legislative audio tapes at risk of inaccessibility for recordings and systems from 1973 through 2001 at State Archives.

Legislative audio tape systems at risk of inaccessibility at State Archives			
Years	Media	System	Machines and Condition
1973-1974 (Floor debates)	62, ¼-inch tapes	1960s vintage Ampex machines	1 – Inoperable (no parts available)
1973-1981	1,144, ½-inch tapes	Dictaphone 4000 and 5000	2 – Inoperable (repairs expected on one by November 2012)
1982-1998	881, 1-inch tapes	Magnasync/Moviola	2 of 3 allow playback, time-code function is erratic
1999-2001	100, DDS digital tapes	Microsoft Windows 3.1 OS with 4mm Data Drives	2 PCs – First generation Pentiums and unsupported operating system

Department Estimate for Digitizing Audio

The Department states that it has received an estimate of \$2.5 million to convert the 1973 through 1998 legislative audio tapes to digital format, provided by a company specializing in multi-track recordings and recognized internationally for working with old and fragile, open reel tape systems. The Department believes that it is reasonable to accomplish digitization in five to seven years and has identified the targeted ongoing appropriation of \$300,000 in operating expenses for this project. The Department's request narrative includes an estimate of over 250,000 hours of audio records, while staff has reviewed other documents that suggest approximately 500,000 hours.

Staff's Concerns

1. Protection of Records

Section 24-80-106, C.R.S., requires that "the department of personnel and every other custodian of public records shall carefully protect and preserve them from deterioration, mutilation, loss, or destruction and, whenever advisable, shall cause them to be properly repaired and renovated." It is reasonable to accept that compliance with this statute may require the Department to request additional resources for that purpose.

Given the state of the records and current inaccessibility to records suggests that the Department, until this request, may have failed to protect records as required by statute. Further, staff identified a request item from the FY 2007-08 Department budget request that was withdrawn by the Department prior to figure-setting, that appears to be substantially the same request. The FY 2007-08, *Decision Item #3 – Preservation of Archival Records* includes a description of estimates for digitizing legislative audio tapes ranging from \$400,000 to \$2.6 million, and requested an appropriation of \$200,000 in operating expenses to begin a multiple-year digitization project. The JBC staff figure-setting document for that year does not address the request, therefore, it is unclear why the decision item request was withdrawn. Nevertheless, it appears that the Department was aware of this issue at least six years ago.

2. Plan for Digitization

The Department's estimate of \$2.5 million to digitize audio tapes from 1973 through 1998 appears to be based on an estimate from as far back as 2006. The project estimate document provided by the Department states, "These are estimates only and do not include shipping or special handling for damaged tapes." Staff requested estimates for shipping, special handling, and possible contingencies in order to get a more complete and accurate estimate of the project cost. The Department's response was that all of those costs are unknown.

Given the unknowns related to the project and an estimate that may not be current, staff is concerned that the Department has neither clearly defined the contemplated digitization project nor accurately estimated the cost and inaccessibility period while the audio records are being digitized. Staff is concerned that the Department's requested \$300,000 in ongoing, annual operating expenses for this project will be spent, but the Department has not been clear enough in defining the project and the results that should be expected in return for those expenditures. Further, the Department's delay in addressing this issue diminishes staff's confidence that the project will deliver the desired result without a more clearly defined plan.

Staff's Identification and Prioritization of Issues

1. Immediate Access (FY 2013-14): Legislative audio records from 1973 through 1981 are currently inaccessible due to machine failure. The State Archives needs to ensure that records are accessible through operable playback machines. The Department may need additional resources in order to repair or replace machinery and thereby ensure accessibility to records. The

Department needs to clearly identify additional resource needs related to resolving this machine failure issue for FY 2013-14.

2. Near-term Resolution (FY 2014-15): Historical legislative audio tapes require digitization due to tape deterioration and machine failure. A thoroughly considered and clearly identified plan for the process for and funding of digitization of legislative audio tapes should be developed and presented to the Committee for funding and additional legislative direction if necessary, for implementation in FY 2014-15.

3. Near-to-Long-term Policy (FY 2014-15): The General Assembly currently lacks a digital records policy. The current issue of inaccessible and deteriorating legislative audio records at State Archives is one piece of a larger issue. The best resolution may entail consideration of a complete legislative digital records policy for text, audio, and video, that considers authentication as defined in the Uniform Electronic Legal Material Act (UELMA) in Article 71.5 of Title 24, C.R.S., regarding the requirements related to the authentication, preservation of digital records, and the availability of preserved digital records, and that takes effect March 31, 2014, as specified in H.B. 12-1209.

Staff's discussion with library, publishing, and archives professionals as well as other legislative staff at Legislative Information Systems and Legislative Council and at the Office of Legislative Legal Services, regarding the legislative audio records issue suggests that there are larger questions regarding the storage, accessibility, authentication, and preservation and archiving of legislative digital records including migration policies as digital media, software, and hardware change and evolve.

A digital records policy would entail the following elements:

- a) **Creation, access, and limited-term storage.** As legislative digital records are created, a policy for storage and to some degree, unlimited, online public access for a defined period.
- b) **Authentication.** A policy and process for digital record authentication that includes consideration of the types and costs of hardware and software systems for authentication. UELMA sets the legal requirements for authentication, preservation and availability of preserved digital records. Given technology's lead and culture's movement into a predominantly digital information world, the process for authenticating legislative digital records should be addressed by the General Assembly sooner rather than later.
- c) **Preservation and archiving.** A policy for preservation and archival of digital records, including authority and responsibility for location, ongoing public access, and a flexible migration policy as digital formats and information systems evolve.

A digital records policy will entail an ongoing commitment of resources to ensure the viability and accessibility of digital records as storage and media technology changes. However, an efficient, capital-intensive digital archive system would replace the current labor-intensive method of physically warehousing, cataloging, and searching through hardcopy files for retrieval. An effective policy should provide a flexible process for the migration of digital files into future formats rather than attempt to resolve preservation and archiving in a *one-time* system.

Recommendation

Staff recommends that the Committee sponsor legislation for the creation of a legislative digital records policy advisory committee that:

1. Defines an advisory group consisting of legislative, publishing, library, archive, and information systems professionals that include, at a minimum, representatives from the State Archives, the Supreme Court Library, the State Library, Legislative Council and Legislative Information Systems, and the Revisor of Statutes office in the Office of Legislative Legal Services.
2. Assigns responsibility to the advisory group for:
 - a) Developing a plan for the digitization of existing legislative audio tapes and files that:
 - i. Defines an optimal digital audio file format or formats;
 - ii. Identifies potential vendors/contractors and costs to complete the digitization of audio tapes and migration of all digital audio files to an optimal file format;
 - iii. Identifies potential vendors/contractors and costs to provide information technology systems for ongoing archival storage and access;
 - iv. Identifies funding options, including grant opportunities or licensing contracts, and prioritized recommendations for at least two options for funding; and
 - v. Recommends a policy for limited-term legislative storage, perpetual archival storage, and public access to digital legislative audio records.
 - b) Developing a policy for all legislative digital records that:
 - i. Recommends a policy for limited-term legislative storage, perpetual archival storage, and public access to digital legislative records;
 - ii. Recommends a digital records authentication system that includes researching and identifying authentication systems, vendors, costs, and funding options for a digital records authentication system.
3. Defines a timeline for the advisory group to develop and present its recommended plans and policies to the JBC by November 1, 2013, for implementation.

Further, staff recommends that the Committee ask the Department to specifically identify additional resource needs related to resolving the audio tape playback machine failure issue, through repair or replacement, for consideration in figure-setting for FY 2013-14.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses the Department of Personnel's goals to *Improve DPA Customer Service* and *Modernize DPA Systems that are Outdated, Ineffective, or on the Verge of Failure* in recommending a process for addressing the deterioration of legislative audio tapes at the State Archives.

Issue: R-1: Central Contracts Unit Resources

The State's decentralized contracting process provides responsibility for setting statewide standards and state agency training for contracts, and the provision of reviews for high-risk contracts in the Central Contracts Unit (CCU) in the Office of the State Controller. The Department is requesting additional resources for the CCU to provide more timely, high-risk contract reviews and improve contracting practices of state agencies through training, contract monitoring, and further development of model contracts.

SUMMARY:

- The staff of the CCU has not been able to accommodate the requests of agencies in a timely and effective manner, while turnover in the purchasing and contracting staffs at state agencies has led to a decline in contracting knowledge at state agencies, resulting in poor contracting practices, agencies following conflicting practices, and frustration by agencies and vendors as a result of the poor timeliness and perceived complexity of the State's contracting process.
- The CCU program currently includes two contracts specialists and a program manager, and the Department is requesting two additional contract attorneys for improved consulting and oversight of the State's contracting process.
- In FY 2011-12, the CCU completed 800 high-risk contract reviews of contracts with a total dollar amount of approximately \$1.8 billion. The reviews completed represent an average of 22 high-risk contract reviews per month per CCU staff member when fully staffed, for contracts averaging \$2.25 million.

RECOMMENDATION:

Staff recommends that the Committee pursue legislation for the purpose of cash funding the Central Contracts Unit in the Office of the State Controller, through fees assessed on high-risk contracts reviewed. Staff recommends that request *R-1 Central Contracts Unit Resources*, including additional FTE and resources for the CCU be addressed within such a bill, rather than in the Long Bill. Staff recommends that the CCU be recognized in the budget through independent program lines, either within the Office of the State Controller, or as an independent program office within the Division of Accounts and Control – Controller.

Staff recommends that the Committee ask the Department the following questions:

1. Can the Department provide a more detailed plan related to a contract monitoring system that includes but is not limited to objectives and performance measures?
2. Should the Committee fund the request, either in the Long Bill with General Fund as requested or through a separate bill for the purpose of cash-funding the CCU, will the Department provide annual timeliness and workload data related to high-risk reviews, contracts training provided to state agencies, and contract monitoring data?

3. What does the Department think about operating and funding the training aspect of the CCU through a partnership with the Training Services program?
4. Does the Department have additional thoughts related to cash funding the CCU? Does the Department have additional thoughts related to splitting out distinct program lines for the CCU?

DISCUSSION:

Department Request

The Department is requesting 1.8 FTE and \$194,783 General Fund for FY 2013-14 and 2.0 FTE and \$202,712 General Fund ongoing, for two experienced contract attorneys at the General Professional V classification for the Central Contracts Unit in the State Controller's Office. The additional resources would fund increased consulting and oversight in the following four areas:

1. Contract drafting that includes development of model contracts.
2. More timely contract review for high-risk contracts.
3. Additional, on-site contract training for state agency purchasing and contract staff.
4. Contract monitoring that would lead to better defining low-risk and high-risk contracts and best practices.

The Central Contracts Unit

The Central Contracts Unit (CCU) in the Office of the State Controller (OSC) sets statewide contracting policies and procedures; drafts model contracts for state agency use; advises, trains, and monitors state agency program staff responsible for contracting; and reviews and approves high-risk contracts for agencies statewide.

High-risk contracts require the approval of the State Controller and include:

- All intergovernmental contracts with agencies of the federal government;
- Contracts relating to settlement agreements;
- Contracts containing provisions limiting liability – including limits on actions for which the contractor/vendor is liable, the dollar amount of damages, the types of damages, the source of damage payments, or some combination thereof;
- Contracts with technical legal issues requiring an opinion from the Attorney General;
- Contracts involving the handling, removal, treatment, movement, installation, and disposal of hazardous materials;
- Master contracts for the entire State; and
- Contracts for the acquisition of new or replacement of existing financial systems.

The current appropriation for the CCU provides two contracts specialists, a General Professional IV and V, and a program manager, a General Professional VI.

Department Concerns

The Department states that the staff of the CCU has not been able to accommodate the requests of agencies in a timely and effective manner. Additionally, staff turnover in the purchasing and contracting staffs at state agencies has led to a decline in contracting knowledge at state agencies.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

The result has been poor contracting practices, agencies following conflicting practices, and frustration by agencies and vendors resulting from the poor timeliness and perceived complexity of the State's contracting process. The Department also suggests that state agencies may be misclassifying contracts as low risk rather than high risk to avoid the delay of a CCU review. Further, the Department cites a figure of \$10 million in settlements and legal costs over the past four years to settle disputed contracts, many due to inadequate statements of work, contract provisions that did not adequately protect the State, and inadequate monitoring by state agencies.

Additional Background Related to Request History

The Department submitted a *1331* or *Interim Supplemental* request in September. The Committee denied the request based on its failure to meet the interim supplemental requirement demonstrating new data based on an unforeseen increase in workload or emergency. Staff's analysis suggested that the Department may have a genuine resource issue in the CCU, and the State may have issues related to its decentralized contracting process, but the Department's inability to provide workload data prevented staff from reaching a conclusion that the request met interim supplemental requirements.

The Department's 1331 request for 1.0 FTE at that time, included the concerns and proposed solutions set forth in the current request, but also included a reference to the poor ratings it had received in its Customer Satisfaction Survey from the Spring of 2012. Additional documentation and data provided by the Department related to the survey suggested agency and vendor problems that appear to be more closely connected to the State's decentralized contracting system than to specific issues with the CCU. There was a specific complaint related directly to a delay in contracting that was attributable to the CCU, during a period in which the program manager was the sole experienced staff member while the program was experiencing staff turnover in two of its three positions.

Given the State's decentralized contracting system that provides authority for contracting to state agencies, with a high-risk review process in place for high-risk contracts as defined in rule by the State Controller, it appears that the following changes would lead to improved outcomes and reduced liabilities related to contracts:

- Increased training provided to state agencies;
- Improved model contracts; and
- Improved contract monitoring processes.

Staff's Concerns

Workload and Timeliness Data

Staff's primary concern with the Department's 1331 request for additional resources was the lack of workload and timeliness data that might have satisfied the interim supplemental requirements. Should the Committee choose to fund the Department's request, staff recommends that the Committee ask the Department to provide annually with the budget request, workload and timeliness data for contract reviews and a summary of contract training provided. Additionally, the request suggests that the additional resources will allow the CCU to begin conducting

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

systematic contract monitoring. Staff would ask that the Department provide a more detailed plan for such a contract monitoring system, and likewise that the Department submit contract monitoring data annually.

The one piece of workload data available is a figure of 800 high-risk contract reviews completed in FY 2011-12. This figure represents an average of 22 high-risk contract reviews per month per CCU staff member when fully staffed. It appears that the CCU was not fully staffed during FY 2011-12, suggesting a much higher average in practice for that year. At a level of two CCU staff members, the average rises to 33 reviews per month.

Funding Method

The CCU, along with the State Controller's Office, is currently funded by General Fund, and the Department has requested additional General Fund in this request. While the CCU provides general contracts-related policies and procedures for the state, it appears that the role of the CCU and its need for additional resources in this request is directly tied to its primary purpose in reviewing high-risk contracts. While there is a general liability to the state related to contracts, there is a specific risk to state agencies in writing high-risk contracts that is reduced, if not alleviated, through a CCU high-risk review. The CCU might at least be partially funded, if not fully funded, through cash funds, if a fee process associated with high-risk contracts were implemented.

Given the additional risk that high-risk contracts create for the State, it is reasonable that such contracts should pay for the risk through a high-risk review fee. While an argument can be made that services purchased through high-risk contracts benefit the state as a whole, there is a stronger argument that services purchased through high-risk contracts directly benefit the programs, offices, and divisions that purchase those services, some of which are cash-funded and federal-funded, and a direct billing approach for these high-risk contract reviews is a more equitable approach relative to billing the taxpayers of the state generally through General Funding.

The Department states that the total dollar amount of the 800 high-risk contract reviews completed in FY 2011-12 was approximately \$1.3 billion, while the total dollar amount for all 20,000-plus contracts recorded in the Contract Management System in FY 2011-12 was approximately \$18 billion. Although the CCU program's budget is currently included in funding for the Office of the State Controller, staff estimates a total personal services and operating expenses budget of approximately \$0.5 million including the current request, but not including legal services purchased from the Department of Law. A program budget of \$0.5 million represents 0.04 percent of the dollar amount of high-risk contract reviews completed in FY 2011-12. A fee of 0.04 percent on a \$100,000 contract would cost a contract and provide revenue for the CCU of \$40 for a high-risk review.

The Department provided the following response to staff's inquiry regarding cash funding the CCU:

The Department would not recommend cash funding the CCU given that there is no funding source provided for this activity. The fee would need to be paid for out of existing Operating line item appropriations and could be a hardship for

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

certain agencies with a high volume of contracts. In addition, the fee would need to be directly related to the number and amount of time spent assessing contracts related to specific General Fund, cash fund, or federal fund activities/functions. This workload could also vary greatly from year to year making fee setting difficult to manage and frustrating to the state agencies that require the service.

Related to the cash funding inquiry, staff asked the Department for feedback regarding splitting out the CCU into distinct program lines in the budget and received the following response:

Unless significant additional resources were provided, the Department believes that splitting out program lines in the Office of the State Controller would further limit its ability to effectively manage this activity. Currently, in the unlikely event that there are resources available in the OSC, management will be able to redirect those resources to where they are needed – including the CCU. If CCU or other activities in the OSC were split into program lines that cross sectional support would not be an option. In a very small office like the OSC, segregating into program lines will make it even more difficult to manage workload related to vacancies.

There appears to be a fairly defined CCU (currently 3.0 FTE) within the OSC (currently 34.3 FTE). There does not appear to be a staffing pattern or practices in which CCU staff also handle other OSC responsibilities. While there may be a loss of flexibility in allocating resources between the CCU and other OSC functions as the Department suggests in its response, the Department is requesting additional resources for this particular program. Were the Committee to approve the Department's request with General Fund, it would come with the expectation that the resources were, in fact, being used as requested. Splitting out the CCU into distinct program lines in the budget simply assures that the resources are going to their intended purpose.

The provision of services by the CCU are currently incorporated into the statewide indirect cost plan. Cash-funded and federal-funded programs are paying for the services of the CCU through the statewide indirect cost plan. Staff is concerned that the provision of those services may be, in effect, *underpriced* relative to the value of the program to the state. The program's current lack of resources as presented in the request is a function of this underpricing. Under the current budget format, and as suggested by the Department in its response, the State Controller could currently choose to allocate more resources to the CCU from within the OSC without a request for additional resources in the budget process. Placing the CCU in a cash-funded system removes the resource allocation decision for the program from the State Controller and allows the program to more systematically respond to additional resource needs as defined by the workload of state agency contracts.

Additionally, it appears that the Department's Training Services program in the Division of Human Resources might be assigned responsibility for administering and overseeing the training-related aspects of the CCU, based on curriculum and training provided from staff at the CCU. The Training Services approach would allow the CCU to more systematically and consistently provide and directly fund its training role.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Recommendation

Staff recommends that the Committee pursue legislation for the purpose of cash funding the Central Contracts Unit in the Office of the State Controller, through fees assessed on high-risk contracts reviewed. Staff recommends that request *R-1 Central Contracts Unit Resources*, including additional FTE and resources for the CCU be addressed within such a bill, rather than in the Long Bill. Staff recommends that the CCU be recognized in the budget through independent program lines, either within the Office of the State Controller, or as an independent program office within the Division of Accounts and Control – Controller.

Staff recommends that the Committee ask the Department the following questions:

1. Can the Department provide a more detailed plan related to a contract monitoring system that includes but is not limited to objectives and performance measures?
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3. What does the Department think about operating and cash-funding the training aspect of the CCU through a partnership with the Training Services program?
4. Does the Department have additional thoughts related to cash funding the CCU? Does the Department have additional thoughts related to splitting out distinct program lines for the CCU?

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses the Department of Personnel's goal to *Improve DPA Customer Service* in recommending additional resources for the Central Contracts Unit in the Office of the State Controller for the purpose of improving the State's contracting process and the Unit's provision of services to state agencies.

Issue: Address Confidentiality Program Funding

The Address Confidentiality Program in the Department of Personnel is predominantly cash-funded through an offender surcharge defined in statute and collected in district courts. The provision of confidential mail services to participants and the eligibility of participants are defined in statute, and expenses are projected to exceed revenues on a systematic basis beginning in the current fiscal year.

SUMMARY:

- The Address Confidentiality Program is cash-funded through a \$28 surcharge levied against offenders convicted of stalking or offenses for which the underlying basis is domestic violence, of which 95 percent is used to fund the program.
- By statute, the program must serve participants that meet the application requirements for the program which include victims of stalking, domestic violence, or sexual offenses.
- Despite the program's increased budget discipline since its transfer to the Department, the growth projections for the program suggest that expenses are projected to exceed revenues by 20.1 percent, 25.4 percent, and 22.5 percent, respectively, in the current and next two fiscal years based on the current offender surcharge funding formula and anticipated VALE grant funding.

RECOMMENDATION:

Staff recommends that the Committee pursue legislation to expand the population of offenders against whom the surcharge that funds the Address Confidentiality Program is assessed to additionally include, at a minimum, offenders convicted of sexual offenses located in Part 4 of Article 3 of Title 18, C.R.S. This expansion will better reflect participants being served by the program with the offender population generating the need for the program.

DISCUSSION:

The Address Confidentiality Program (ACP) was established in the Department of State in 2007, and transferred to the Department of Personnel in 2011, pursuant to H.B. 11-1080. The program established a confidential substitute address program for participants that are victims of domestic violence, sexual offenses, or stalking. The program is cash-funded through a \$28 surcharge levied against offenders convicted of stalking or offenses for which the underlying basis is domestic violence, pursuant to Section 24-30-2114, C.R.S. Of the surcharge revenue collected, 95 percent is deposited into the Address Confidentiality Program Surcharge Fund, created in Section 24-30-2114 (4) (a), C.R.S., and subject to annual appropriation. The remaining five percent is deposited into the Judicial Stabilization Cash Fund for administrative costs incurred by the Judicial Department pursuant to the surcharge. Additionally, the program has grant-fund

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

authority in the Address Confidentiality Program Grant Fund, created in Section 24-30-2115 (1), C.R.S., that is continuously appropriated.

The transfer of the program to the Department of Personnel was a JBC staff recommendation due to ongoing budget over-expenditures by the program at the Department of State. In FY 2011-12, its first year in the Department and the only year of actual expenditures available, the program was appropriated \$128,823 cash funds and 2.0 FTE, and expended \$111,876 and 1.0 FTE. In FY 2012-13, the program was appropriated a continuation amount of \$128,823 and 2.0 FTE. For FY 2013-14, the Department is requesting a continuation of the FY 2012-13 appropriation.

Additionally, as a part of the Department's *R-5 Departmental Technical Funding Adjustments* request, for the purpose of more effectively allocating resources across the Department, the Department is requesting relocation of the program line in the budget within the Division of Central Services. The Department states that functionally, the program has resided in Central Services due to its primary operations responsibility for mail services. Staff was initially concerned that the Division of Central Services is structured and intended to provide central support services to state agencies. However, discussions with program, division, and Department staff, along with victims' services program staff from the Judicial Department and the Department of Law, suggest that the program is delivering its services effectively, and is being used as a model for similar programs in other states; while its placement within the Department and the division appear to have helped the program deliver its services efficiently.

Program staff expressed a concern, however, that the program is growing in participants, while its funding stream is remaining relatively constant. The following table outlines the annual growth in participants in the program:

Address Confidentiality Program Participants Annual Growth							
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Estimated	Projected	Projected
Total Participants	350	881	1,213	1,631	2,425	3,178	3,774
Additional Participants		531	332	418	794	753	596
Growth Rate		152%	38%	34%	49%	31%	19%

By statute, the program must serve participants that meet the application requirements for the program upon referral from *application assistants*. Participants are certified for four years and may renew their certification if they continue to meet the requirements. While a percentage of participants leave the program by choice or due to improved circumstances related to their participation, fewer leave than are added to the program. While the rate of growth is projected to decrease, the program has not yet reached a *steady state* in which program participation growth is correlated with population growth.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

To address the increase in participants and the need for additional funding, the program sought and was awarded a two-year, *VALE* (Victim's Assistance and Law Enforcement) grant from the Division of Criminal Justice in the Department of Public Safety in FY 2011-12, that has been extended an additional two years beyond the initial grant. The grant includes public outreach and participant expansion requirements that the program is able to meet simply on the basis of its growth. The following table outlines the projected revenue and expenses for the program:

Address Confidentiality Program Expenses and Funding				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Estimated	Projected	Projected
Total Program Expenses	\$ 163,757	\$ 218,139	\$ 271,582	\$ 297,384
Total Cost per Participant	100.40	89.95	85.46	78.80
Total Violation Surcharges Collected	4,746	4,821	5,545	6,529
Funding Available from Surcharge	\$ 126,244	\$ 128,239	\$ 147,497	\$ 173,671
Funding Available from VALE Grant	<u>36,870</u>	<u>53,321</u>	<u>69,053</u>	<u>69,053</u>
Total Funding Available	163,114	181,560	216,550	242,724
Change in Fund Balance	(\$643)	(\$36,580)	(\$55,032)	(\$54,659)

Currently the program's cash funding through the offender surcharge provides for a full-time director and a part-time program staff position; the grant funding provides another part-time program staff position that is expected to become a full-time position in January 2014. Despite the program's increased budget discipline since its transfer to the Department of Personnel, and a projected decrease in cost per participant, the growth projections for the program suggest that expenses will continue to exceed revenue systematically based on the current offender surcharge funding formula and anticipated VALE grant funding. In the current and next two fiscal years, expenses are expected to exceed revenue by 20.1 percent, 25.4 percent, and 22.5 percent, respectively.

Currently the offender surcharge is levied against offenders convicted of stalking or offenses for which the underlying basis is domestic violence. However the program participation requirements include victims of stalking, domestic violence, or sexual offenses. The Department provided the following revenue projections from the Judicial Department for expanding the offender surcharge to include all crimes in Article 3 of Title 18, C.R.S., *Offenses Against the Person*.

Revenue Estimate for Expanding Offender Surcharge to Include All Offenses in Article 3 of Title 18, C.R.S.			
FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
\$ 18,130	\$ 43,512	\$ 55,840	\$ 59,756

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Additionally, program staff state that the program also includes participants who are victims of offenses adjudicated at the misdemeanor level in county courts as well as felony cases in district courts, and include participants that are witnesses for cases resulting from gang-related activity. Staff has requested additional data related to the percentage of participants who are in the program due to particular crimes and by district or county court cases or other referrals not directly tied to a court case. While the additional data has not yet been provided, there does appear to be an inconsistency between the program's funding source, the offender surcharge, and the population of victims served by the program.

Recommendation

Staff recommends that the Committee pursue legislation to expand the population of offenders against whom the surcharge that funds the Address Confidentiality Program is assessed to additionally include, at a minimum, offenders convicted of sexual offenses located in Part 4 of Article 3 of Title 18, C.R.S. This expansion will better reflect participants being served by the program with the offender population generating the need for the program. Staff further recommends that any related adjustments to spending authority be included within such a bill, rather than within the Long Bill.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses the Department of Personnel's goal to *Improve DPA Customer Service* in that it appears the Address Confidentiality Program's participant growth will diminish its ability to serve those participants as required in statute based on its current funding source. The funding mechanism is a reasonable source for funding the program. However its expansion to more consistently align with the population of participants served by the program will enable the program to continue to contribute to the Department's goal.

Issue: CP-1 and CP-2 – Operating Common Policy Requests Operating Common Policy Base Adjustments, and Fleet Management

This issue summarizes the Department's Operating Common Policy requests.

SUMMARY:

- The Department is requesting \$803,111 in reappropriated funds for allocation through the *Capitol Complex Leased Space* common policy line item, that includes the reinstatement of \$303,111 in operating reductions taken during the economic downturn and a base adjustment increase of \$500,000 to address safety and infrastructure needs for Capitol Complex buildings.
- The Department is requesting \$215,000 in reappropriated funds for allocation through the *Payment to Risk Management and Property* common policy line item to fund a biennial survey to gauge employees' attitudes toward work and work environment, overall satisfaction, and to identify trends developing within the workforce.
- The Department has not included a request for the replacement of state fleet vehicles in the budget request of November 1st.

RECOMMENDATION:

For the Department's *CP-2 Employee Engagement Survey* request, staff recommends that the Committee ask the Department the following questions:

1. What does the Department think about staff's suggestion to place the Employee Engagement Survey within the State Agency Service subdivision within the Division of Human Resources rather than in Risk Management?
2. What does the Department think about funding the biennial Employee Engagement Survey within existing appropriations in the Division of Human Resources?

DISCUSSION:

CP-1 Capitol Complex Building Upgrade, Repair and Replacement

The Department is requesting \$803,111 in reappropriated funds for allocation through the *Capitol Complex Leased Space* common policy line item. The request includes two components:

1. The reinstatement of \$303,111 in operating reductions taken during the economic downturn; and
2. A base adjustment increase of \$500,000 to address safety and infrastructure needs for Capitol Complex buildings.

The following table outlines the appropriations for operating expenses since FY 2007-08:

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Facilities Maintenance – Capitol Complex Operating Expenses Appropriations						
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capitol Complex	\$ 1,637,466	\$ 1,722,466	\$ 1,951,376	\$ 1,884,034	\$ 1,703,575	\$ 1,884,034
Grand Junction	76,873	76,873	76,873		76,873	
Camp George West	<u>122,102</u>	<u>122,102</u>	<u>166,289</u>		<u>103,586</u>	
Total Operating Expenses	\$ 1,836,441	\$ 1,921,441	\$ 2,194,538	\$ 1,884,034	\$ 1,884,034	\$ 1,884,034
Appropriation Change		85,000	273,097	(310,504)	0	0

The Department provided the following list of items eliminated due to the operating reductions:

Summary of Reductions Taken since FY 2009-10	
Description	Amount
Figure Setting Action	
Uniform Allocation	\$9,550
Hard Surface Cleaning	22,500
Carpet Cleaning	12,360
Exterior Window Cleaning	21,000
Routine Ground Services	20,150
Eliminate Memberships	2,000
Eliminate Out-of State Travel	5,000
Eliminate In-State Travel	5,000
Reduce Routine Custodial	16,293
Eliminate Flower Purchases	4,000
Eliminate Education and Training	10,000
Supplemental Action	
Hard Surface Cleaning	4,290
Reduce Tree Care	9,893
Reduce Fertilization and Weed Control	10,800
Reduce Carpet Cleaning by 50%	12,360
Reduce Grounds Services by 25%	13,850
Reduce Routine Custodial by 25%	124,065
Total Reduction to CCLS Operating	\$303,111

The Department has identified a number of areas that need maintenance, repair, or replacement including elevators and elevator shafts, HVAC components including boilers, blowers, and A/C

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

units, flooring including carpet and tile, and parking lots. The Department states that it is a common private sector practice to include a charge in lease payments for maintenance and repairs. The Department provided the following list of prioritized projects and estimated costs:

Building	Project Title	Total Estimated Cost
Priority 1 Projects		
Capitol	Replace ADA Lift – House Chambers	\$ 120,000
690 Kipling	UPS Transfer Switch (1 Phase)	202,538
Grand Junction	Replace Hazardous Parking Lots / Sidewalks	337,370
Grand Junction	Emergency / Life Safety Upgrades	308,700
690/700 Kipling	Modernize Elevators	257,250
Annex	Replace Exterior Doors (Phases)	514,500
SOB	Re-carpet	228,898
SSB	Stair Treads	<u>46,305</u>
Priority 1 Projects Subtotal		\$2,015,561
Priority 2 Projects		
Capitol	Carpet and Draperies Replacement	135,503
DOR (Pierce)	Re-carpet Building (Phases)	514,500
North Campus	Rooftop AHU's (Phases)	720,300
Grand Junction 1881 Pierce	Hirsh Upgrade	51,450
SOB	Replace Window Coverings	77,175
North Campus	Improvements, Replace Windows and Site Drainage Improvements (Phases)	<u>514,500</u>
Priority 2 Projects Subtotal		\$2,013,428
Priority 3 Projects		
Capitol	HVAC/ Electrical Assessment	300,000
DOR (Pierce)	Upgrade/Replace Landscape Sprinkler System	341,114
LSB	Emergency Generator	453,750
All Bldgs	Hirsch Upgrades-Proximity Card Readers	50,000

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

690 Kipling	Hydraulic Lift Repair/Replace	154,350
SSB	Re-carpet Common Areas	176,576
690/700 Kipling North Campus	Renovate / Refinish / Replace Doors	489,320
Lincoln Park	Repairs to Walls / Walks / Electrical	257,250
Grand Junction	Keys	51,500
690/700 Kipling	Replace Fence and wall around property	<u>400,000</u>
Priority 3 Projects Subtotal		\$2,673,860
Projects Total		\$6,702,849

CP-2 Employee Engagement Survey

Request

The Department is requesting \$215,000 in reappropriated funds for allocation through the *Payment to Risk Management and Property* common policy line item. The request is for a biennial survey to gauge employees' attitudes toward work and work environment, overall satisfaction, and to identify trends developing within the workforce. The Department seeks to conduct a biennial survey on an ongoing basis as a way to track trends and to make and show improvements in human resource and management policy and practices over time.

The Department has requested an amount equal to the amount expended to perform an employee engagement survey conducted in September 2011. The total cost of the first survey was \$211,400, and was funded through vacancy savings across two fiscal years and two different departments. In FY 2010-11, a total of \$105,900 was funded by \$49,500 from the Department of Personnel and \$56,400 from the Office of State Planning and Budgeting; the funding from the Department of Personnel was generated through vacancy savings that provided \$47,000 from the Division of Human Resources (DHR) and \$2,500 from the Executive Director's Office (EDO). In FY 2011-12, the Department of Personnel paid for the remainder of the survey, \$105,500, again through vacancy savings in the DHR.

The request narrative identifies the following items revealed by the survey:

- 20,000 employees completed the survey.
- 93 percent feel their work is important.
- 82 percent feel they are accountable for the results.
- 79 percent rated their feeling of accomplishment in their job as favorable.
- 78 percent rated their immediate supervisor a respectful toward them.
- Employees see their work as important and are proud to be employees of the state of Colorado.
- Employees want to do great things, but get frustrated by lack of resources and other barriers to great work.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Defending its placement in the Risk Management/Liability program, the request narrative states:

The Department is charged with implementing a program to reduce liability losses incurred by each state agency pursuant to Section 24-30-1505, C.R.S. Increased employee engagement limits negligent professional acts, errors, or omissions on behalf of state employees, thereby limiting liability claims incurred by the Division of Human Resources Liability Insurance program. Additionally, the results of the first Colorado State Employee Engagement Survey identified program areas and situations that could have led to employment liability claims against the State had they gone unidentified.

Staff's Concerns

The Department has derived a reasonable connection between the benefits to the State of such a survey and the liability aspect of the Payment to Risk Management and Property Funds, as a method of funding the survey and allocating its cost within an existing line. Staff concedes that it is possible to fund a survey this way.

Staff's larger concern is that the liability and property insurance aspects of this common policy line item are fairly distinct and, from a strict *program* perspective, include only the funding of premiums and legal services that directly provide the *insurance* services the line is intended to deliver. The administrative costs included in funding the program are necessary and reasonable expenses for delivering the insurance aspects of the program. While administrative support services are allowed in statute, an employee engagement survey for the purpose of potentially decreasing the State's liability does not directly provide *insurance* services that the program is intended to provide and that the line item is intended to fund.

Instead staff suggests that the Department consider placing its requested employee engagement survey within the Division of Human Resources, State Agency Services subdivision. The Department's line item description states that the Subdivision:

- Provides interpretation of applicable rules and regulations;
- Handles employee appeals to the State Personnel Director;
- Provides policy guidance for state benefits, including the Performance Based Pay Plan and the annual compensation survey;
- Creates and maintains job evaluation systems;
- Develops compensation and leave policies; and
- Provides human resource services for the Governor, the Treasury, and certain institutions of higher education.

The description also states that funding for the Subdivision also supports contractual services, and the appropriation is supported by statewide indirect cost recoveries.

The Department's schedule 14, *position and object code detail*, shows a reversion of \$127,281 in personal services and \$5,818 in operating expenses for the Subdivision in FY 2011-12. The Department reported funding the balance of the first survey with \$105,500 in vacancy savings from the Division of Human Resources in FY 2011-12. It's unclear whether the vacancy savings were generated in order to fund the remaining balance of the survey, or if the reversion was

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

available and therefore used to fund the balance. Nevertheless, the Department's request for the survey totals \$215,000 for a biennial survey. Based on the FY 2011-12 reversion, it appears possible for the Department to completely fund this survey within the State Agency Services subdivision office over a two-year period.

While the FY 2011-12 reversion may not be a regularly occurring event, it's reasonable that the Department could partially to fully fund an ongoing biennial survey in this office using existing appropriations. Further, given the line item description for State Agency Services, this placement appears to be a better policy/program fit than Risk Management for an employee engagement survey. Based on the survey results shared by the Department in the list above, the data appears better suited to *general HR* topics than *employee liability*.

Recommendation

Staff recommends that the Committee ask the Department the following questions:

1. What does the Department think about staff's suggestion to place the Employee Engagement Survey within the State Agency Service subdivision within the Division of Human Resources rather than in Risk Management?
2. What does the Department think about funding the biennial Employee Engagement Survey within existing appropriations in the Division of Human Resources?

Operating Common Policy Base Adjustments

The Department is requesting spending authority adjustments for the following operating common policy line items:

- A *Workers' Compensation Premiums* increase of \$2.4 million in reappropriated funds;
- A *Liability Legal Services* increase of \$595,275 in reappropriated funds;
- A *Liability Premiums* increase of \$303,625 in reappropriated funds;
- A *Property Premiums* decrease of \$443,586 in reappropriated funds;
- A *Capitol Complex Utilities* increase of \$703,043 in reappropriated funds; and
- A budget neutral funding adjustment in the Office of Administrative Courts, *Personal Services* line that includes an increase of \$12,224 in cash funds and a corresponding decrease in reappropriated funds.

Adjustments for Risk Management premium and legal services lines are based on actuarial calculations and are allocated to state agencies based on actuarial experience and projections. The adjustment to the Capitol Complex Utilities line includes an adjustment of \$866,580 for spending authority related to energy performance contracts. The depreciation has previously been included within the calculations for cost allocation to state agencies, however the spending authority has not previously been recognized and included in the budget. This adjustment will accurately reflect this expense as an operating expenditure.

Allocation to state agencies through the *Workers' Compensation, Risk Management and Property Funds*, and *Payment to Capitol Complex Leased Space* line items also include adjustments for fund balance. Therefore increases in spending authority related to the line adjustments do not necessarily total state agency allocations. The Department is requesting the following total state agency allocation adjustments:

- A Workers' Compensation increase of \$355,262.
- A Payment to Risk Management and Property increase of \$475,676.
- An Administrative Law Judge Services decrease of \$372,194.
- A Capitol Complex Leased Space increase of \$2.0 million, that includes the \$803,000 CP-1 request and a \$1.6 million increase in indirect cost assessment. The Office of the State Controller identified controlled maintenance costs that were being allocated to the Integrated Document Solutions subdivision in the Division of Central Services that should have been allocated to the Capitol Complex Leased Space program.

Fleet Management

The Department has not included a request for the replacement of state fleet vehicles in the budget request of November 1st. When asked, the Department provided the following response:

The Department is currently working with the Office of State Planning and Budgeting to incorporate the maximum number of alternative fuel vehicles into its request for FY 2013-14. As these processes are fairly time consuming, the Department anticipates submitting an adjustment to the State fleet during the supplemental and budget amendment time frame. The anticipated submission date for this request is January 1, 2013.

At this time, the Department cannot say how many vehicles will be included in the final version of the fleet vehicle replacement request. This will depend on a number of factors including the availability of alternative fuel vehicles, any desire to adjust the methodology used to determine which vehicles will be replaced, and available funding. There are approximately 6,000 vehicles in the State fleet at the current time.

Staff estimates that the replacement request will include approximately 700 vehicles based on the historical average replacement schedule of eight years for vehicle lease-purchase periods that vary between 72 and 120 months and average vehicle replacement at 140,000 miles. The estimate does not factor in adjustments for Colorado State Patrol vehicles that are replaced more frequently on a 48-month lease-purchase period and typical vehicle replacement at 80,000 to 110,000 miles. The estimate also does not include consideration of possible changes in replacement policy related to the purchase of alternative fuel vehicles.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses the Department of Personnel's goals to *Improve DPA Customer Service* in its CP-1 Capitol Complex Building Upgrade, Repair and Replacement request and to *Implement the Talent Agenda Initiative* in its CP-2 Employee Engagement Survey request. While the CP-1 request is intended to improve the Capitol Complex facilities and does not directly address services, its implementation should improve customer satisfaction for tenants of the Capitol Complex facilities.

Issue: R-2: Tax Document Processing Pipeline Efficiencies and R-3: Resources for COFRS II eProcurement

This issue summarizes the Department's request for information technology-related projects for the Tax Document Processing Pipeline project with the Department of Revenue, and for the COFRS II eProcurement project.

SUMMARY:

- The Department is requesting a net reduction of \$41,236 in reappropriated funds and a reduction of 7.2 FTE to account for efficiencies gained through the *Department of Revenue Pipeline Lean Project*. The project includes a corresponding capital construction request.
- The project is projected to save \$390,000 and include a reduction of 15.0 FTE in FY 2014-15 and out years from the current FY 2012-13 base appropriation.
- The Department is requesting a \$1,566,423 increase in cash fund spending authority and 3.0 FTE for resources related to the *e-procurement system*, that entails ongoing implementation and integration with COFRS II.

RECOMMENDATION:

Staff recommends that the Committee sponsor legislation to consolidate the Supplier Database Cash Fund created in Section 24-102-202.5 (2) (a), C.R.S., and the Electronic Procurement Program Account within the Supplier Database Cash Fund created in Section 24-102-202.5 (2.5), C.R.S.

DISCUSSION:

R-2 Tax Document Processing Pipeline Efficiencies

Request

The Department is requesting a total \$41,236 decrease in reappropriated funds and a reduction of 7.2 FTE to account for efficiencies gained through the *Department of Revenue Pipeline Lean Project*. A personal services decrease of \$262,743 and 7.2 FTE, representing six months of savings in FY 2013-14 for the new process scheduled for implementation January 1, 2014, is partially offset by an increase in operating expenses of \$221,507. In FY 2014-15 the Department will realize a full year of savings in personal services totaling \$525,486 and 14.5 FTE, while ongoing operating expenses will decrease to \$135,517. The Department has also submitted a corresponding Capital Construction request for FY 2013-14 related to this project. The operating expenses increase in FY 2013-14 is to fund maintenance, licenses, and equipment not qualified

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

for inclusion in the capital construction request, but required for implementation. The following table outlines the line item adjustments and savings related to this request:

R-2 Effect on Integrated Document Solutions Appropriations			
	FY 12-13	FY 13-14	FY 14-15
	Approp.	Request	Request
FTE	113.6	106.4	99.1
Personal Services	\$ 6,160,955	\$ 5,898,212	\$ 5,635,469
Operating Expenses	<u>12,412,890</u>	<u>12,634,397</u>	<u>12,548,407</u>
Total PS and OE	18,573,845	18,532,609	18,183,876
Change in Approp.		(41,236)	(348,733)
Cumulative Savings			(389,969)
Annual Out-Year Savings Relative to FY 12-13 Base			(\$389,969)

Along with machinery, software, and the personal services contract in the capital construction request, the Department requires the following items in its operating expenses request:

R-2 Operating Expenses		
	FY 13-14	FY 14-15
2 High-Speed Mail Openers	\$ 23,490	\$ 0
2 Mail Opener Maintenance Contracts	60,000	60,000
25 Data Perfection Licenses	62,500	0
Data Perfection Maintenance	11,250	11,250
Software Maintenance Contract	43,500	43,500
Expanded Document Destruction Capacity	<u>20,767</u>	<u>20,767</u>
Total	\$ 221,507	\$ 135,517

Additionally, the net reduction of 7.2 FTE includes a decrease of 7.5 data entry FTE with an increase of 0.3 FTE for a Production II position to oversee the document destruction process. Reappropriated funding adjustments for this project will be built into the rate for services and recovered through service billings to the Department of Revenue and other customer agencies.

Background on Current Process and Proposed Solution

The current tax remittance system was implemented in early 2000 with a projected lifetime of seven years. In 2006, as a temporary fix to the deteriorating system, the Department of Revenue replaced some hardware and upgraded the software, extending the system's operational life by four years. The current system is known as a *two-pass* system in which checks are first endorsed and encoded and then sent to the bank for deposit. This type of system is no longer state of the art and extends the amount of time to process documents relative to current technology standards. An updated system would allow the Department of Revenue to substantially increase productivity related to processing checks and various other tax documents.

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Currently, tax documents are sent to the Department of Revenue where the majority are extracted and prepped for the next stages of the process. Coupon-sized correspondence and checks are scanned through the remittance processing system, but the majority of tax documents are sent to Integrated Document Solutions (IDS) in Pueblo for manual data entry. Once data entry is completed, the documents are sent back to the Department of Revenue in Denver for quality control and review. The documents are then sent back to the IDS in Pueblo for scanning before uploading into the Gentax System. Once scanned and uploaded the documents are sent back to the Department of Revenue for destruction. In total, this requires the tax documents to travel from Denver to Pueblo twice before the process is complete. Additionally, a recent audit of the Department of Revenue's process showed that the physical transport of documents presented an unnecessary liability if the transport were compromised in any way, such as by vehicle accident or fire.

The proposed solution includes transporting the documents one time to the IDS in Pueblo, where they would be scanned and read upon arrival. Remittance processing by the Department of Revenue would be completed from images. Documents would be destroyed in Pueblo.

R-3 Resources for COFRS II eProcurement

Request

The Department is requesting a \$1,566,423 increase in cash fund spending authority and 3.0 FTE for resources related to the *e-procurement system*, that entails a request for ongoing implementation and integration with COFRS II. The request for 3.0 FTE includes \$215,394 for personal services and compensation-related pots for three General Professional IVs to manage the *Solicitation and Contract Manager* process, the *End-User Purchasing* process, and the *Vendor Self Service* process for the implementation. The request also includes a \$1.35 million increase for operating expenses, of which \$1.33 million is to pay original licensing fees for the Vendor Self Service software and to implement the Vendor Self Service module. The following table outlines the fund balance history for the program, along with the request's effect on the fund balance:

eProcurement Fund Balance - Revenue to Expenditure Analysis						
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Estimated	Projected	Projected
Beginning Balance	\$ -	\$ 860,189	\$ 2,503,816	\$ 2,527,763	\$ 2,534,276	\$ 3,105,108
New Revenue	923,076	1,769,180	1,166,609	1,788,000	1,788,001	1,788,002
Expenditures	(62,887)	(125,553)	(1,142,662)	(1,781,487)	(1,217,169)	(1,217,169)
Ending Balance	\$ 860,189	\$ 2,503,816	\$ 2,527,763	\$ 2,534,276	\$ 3,105,108	\$ 3,675,941
R-3 Request					(1,566,423)	(394,777)
Ending Balance w/ Request					\$ 1,538,685	\$ 1,714,741

Legislative and Program History

Senate Bill 09-099 added Section 24-102-202.5 (2.5), C.R.S., that required the Department to develop and implement a statewide, centralized electronic procurement system (eProcurement) to be funded through vendor fees. An eProcurement system implementation vendor was selected through the RFP process and began work on July 1, 2011. Additionally, during FY 2011-12, the Governor's Office of Information Technology (OIT) Storefront project for the standardized purchase of IT goods, software, and services was identified as a Governor's Lean Initiative and as strongly linked to the eProcurement program purpose and goals.

June 2012, 1331 Supplemental

The vendor, along with an integration specialist, began process mapping for eProcurement implementation in April 2012. Both the vendor and the integration specialist in discussions with the OIT and the OIT Storefront Lean program informed the Department of specific resources required to continue and complete implementation of the system that led to the Department's *1331* or *Interim Supplemental* request in June. The supplemental request essentially sought spending authority in FY 2012-13 for implementation funding that had been originally included in the S.B. 09-099 fiscal note for out-years, had the project been completed on a timeline as projected in the fiscal note. Staff recommended and the Committee approved the request.

In the supplemental request, the implementation of the eProcurement system was expected to take place throughout FY 2012-13 and be completed by the end of the fiscal year. The current request seeks to shift the implementation strategy in order to integrate eProcurement with COFRS II, rather than complete the development and implementation of a stand-alone system, while retaining the functionality of the system already developed, leading to an expected implementation date of July 1, 2014, for the integrated system with COFRS II.

The supplemental request included an additional 2.0 FTE for the eProcurement Program, that included two eProcurement Specialists at the General Professional III and General Professional IV levels. The FY 2013-14 R-3 request for 3.0 FTE incorporates the previously approved 2.0 FTE appropriation for the 1331 supplemental.

The eProcurement Program resides in the Supplier Database subdivision in the Division of Accounts and Control – Controller in the Department budget. The Supplier Database subdivision includes the Supplier Database Program and the eProcurement Program. The Supplier Database Program supports business operational and database needs of the State Purchasing Office through the Bid Information and Distribution System (BIDS) and is funded by vendor fees in the Supplier Database Cash Fund, created in Section 24-102-202.5 (2) (a), C.R.S., for this purpose. BIDS is accessed by registered vendors in order to identify opportunities to sell goods and services to state agencies pursuant to Section 24-102-202.5 (2) (a), C.R.S.

The integration of the eProcurement system with COFRS II will also entail integrating the Supplier Database Program and BIDS into the seamless, COFRS II eProcurement project. Currently there is a single cash fund with two distinct cash fund accounts in statute for these programs. While not strictly necessary, approval of the R-3 request should include a technical clean-up bill in order to consolidate the cash funds for the purpose of clarity and consistency between statute and administration of the program. The budget already includes a consolidated

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

program line for the eProcurement Program and Supplier Database despite the distinct cash fund accounts.

The following table outlines the changes in the Supplier Database subdivision as a result of R-3:

Supplier Database Subdivision FTE Changes					
	FY 12-13	June 2012	FY 12-13	FY 13-14	FY 14-15
	Approp.	1331 Supp.	w/ Supp.	Request	Request
Supplier Database	2.0		2.0	2.0	2.0
eProcurement Program	<u>2.0</u>	2.0	<u>4.0</u>	<u>5.0</u>	<u>5.0</u>
Subdivision Total	4.0		6.0	7.0	7.0

Recommendation

Staff recommends that the Committee sponsor legislation to consolidate the Supplier Database Cash Fund created in Section 24-102-202.5 (2) (a), C.R.S., and the Electronic Procurement Program Account within the Supplier Database Cash Fund created in Section 24-102-202.5 (2.5), C.R.S.

RELEVANCE OF BRIEFING ISSUE TO THE DEPARTMENT'S STRATEGIC PLAN:

This briefing issue addresses the Department of Personnel's goals to *Improve DPA Customer Service* and *Modernize DPA Systems that are Outdated, Ineffective, or on the Verge of Failure* in recommending improved processes and information technology systems for the Tax Document Processing Pipeline and for COFRS II eProcurement projects.

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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DEPARTMENT OF PERSONNEL
Kathy Nesbitt, 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>1,609,031</u>	<u>1,620,021</u>	<u>1,664,580</u>	<u>1,587,245</u> *
FTE	19.2	20.1	19.8	17.8
General Fund	0	(163)	0	0
Cash Funds	0	0	15,648	15,648
Reappropriated Funds	1,609,031	1,620,184	1,648,932	1,571,597
Health, Life, and Dental	<u>2,024,121</u>	<u>2,080,111</u>	<u>2,323,160</u>	<u>2,521,080</u> *
General Fund	476,270	561,139	644,083	666,747
Cash Funds	245,624	134,855	169,530	175,582
Reappropriated Funds	1,302,227	1,384,117	1,509,547	1,678,751
Short-term Disability	<u>30,464</u>	<u>33,417</u>	<u>33,585</u>	<u>38,750</u> *
General Fund	5,346	11,758	12,230	13,360
Cash Funds	8,789	2,366	2,319	3,156
Reappropriated Funds	16,329	19,293	19,036	22,234

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>457,147</u>	<u>523,557</u>	<u>635,318</u>	<u>745,107</u>	*
General Fund	89,590	180,979	223,125	253,569	
Cash Funds	99,238	37,438	48,191	61,876	
Reappropriated Funds	268,319	305,140	364,002	429,662	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>343,309</u>	<u>420,544</u>	<u>545,059</u>	<u>672,665</u>	*
General Fund	84,197	145,278	190,830	228,916	
Cash Funds	74,800	30,084	41,414	55,860	
Reappropriated Funds	184,312	245,182	312,815	387,889	
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>568,493</u>	
General Fund	0	0	0	111,765	
Cash Funds	0	0	0	75,560	
Reappropriated Funds	0	0	0	381,168	
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>307,703</u>	
General Fund	0	0	0	93,873	
Cash Funds	0	0	0	22,253	
Reappropriated Funds	0	0	0	191,577	
Shift Differential	<u>30,600</u>	<u>31,283</u>	<u>39,582</u>	<u>42,040</u>	
Cash Funds	0	4	0	0	
Reappropriated Funds	30,600	31,279	39,582	42,040	
Workers' Compensation	<u>296,051</u>	<u>216,983</u>	<u>220,543</u>	<u>211,840</u>	
General Fund	73,486	58,630	60,409	56,112	
Cash Funds	10,753	18,805	19,018	19,312	
Reappropriated Funds	211,812	139,548	141,116	136,416	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Operating Expenses	<u>70,759</u>	<u>90,924</u>	<u>100,481</u>	<u>99,531</u>	*
Reappropriated Funds	70,759	90,924	100,481	99,531	
Legal Services	<u>169,088</u>	<u>182,376</u>	<u>197,992</u>	<u>197,992</u>	
General Fund	120,912	152,746	138,771	138,771	
Cash Funds	17	6,824	9,464	9,464	
Reappropriated Funds	48,159	22,806	49,757	49,757	
Administrative Law Judge Services	<u>5,226</u>	<u>3,070</u>	<u>4,697</u>	<u>6,168</u>	
Cash Funds	0	0	4,697	6,057	
Reappropriated Funds	5,226	3,070	0	111	
Purchase of Services from Computer Center	<u>4,705,434</u>	<u>2,631,147</u>	<u>127,402</u>	<u>1,632,077</u>	*
General Fund	1,465,202	0	72,997	423,868	
Cash Funds	358,622	293,948	5,369	53,601	
Reappropriated Funds	2,881,610	2,337,199	49,036	1,154,608	
Multiuse Network Payments	<u>160,722</u>	<u>178,927</u>	<u>420,164</u>	<u>203,749</u>	
General Fund	0	0	115,084	53,969	
Cash Funds	0	0	36,230	18,575	
Reappropriated Funds	160,722	178,927	268,850	131,205	
Management and Administration of OIT	<u>90,717</u>	<u>92,896</u>	<u>35,884</u>	<u>0</u>	
General Fund	11,582	25,102	9,829	0	
Cash Funds	7,902	8,051	3,094	0	
Reappropriated Funds	71,233	59,743	22,961	0	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
COFRS Modernization	<u>0</u>	<u>0</u>	<u>288,061</u>	<u>288,061</u>	
General Fund	0	0	128,128	128,128	
Cash Funds	0	0	16,396	16,396	
Reappropriated Funds	0	0	143,537	143,537	
Payment to Risk Management and Property Funds	<u>159,769</u>	<u>463,141</u>	<u>657,049</u>	<u>560,589</u> *	
General Fund	11,484	125,140	179,974	148,487	
Cash Funds	2,797	40,140	56,659	51,103	
Reappropriated Funds	145,488	297,861	420,416	360,999	
Vehicle Lease Payments	<u>91,096</u>	<u>82,097</u>	<u>89,802</u>	<u>89,802</u>	
Cash Funds	0	0	2,256	2,256	
Reappropriated Funds	91,096	82,097	87,546	87,546	
Leased Space	<u>1,218,163</u>	<u>1,222,432</u>	<u>1,270,593</u>	<u>666,423</u>	
General Fund	0	437,764	454,781	258,016	
Cash Funds	16,149	16,219	88,570	49,776	
Reappropriated Funds	1,202,014	768,449	727,242	358,631	
Capitol Complex Leased Space	<u>994,125</u>	<u>846,033</u>	<u>837,576</u>	<u>2,125,852</u> *	
General Fund	0	0	611,783	466,307	
Cash Funds	0	33,434	32,971	227,480	
Reappropriated Funds	994,125	812,599	192,822	1,432,065	
Communication Services Payments	<u>832</u>	<u>889</u>	<u>1,517</u>	<u>1,172</u>	
General Fund	832	889	758	586	
Reappropriated Funds	0	0	759	586	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Governor's Transition	<u>12,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	12,650	0	0	0	
SUBTOTAL - (A) Department Administration	12,469,304	10,719,848	9,493,045	12,566,339	32.4%
<i>FTE</i>	<u>19.2</u>	<u>20.1</u>	<u>19.8</u>	<u>17.8</u>	<u>(10.1%)</u>
General Fund	2,351,551	1,699,262	2,842,782	3,042,474	7.0%
Cash Funds	824,691	622,168	551,826	863,955	56.6%
Reappropriated Funds	9,293,062	8,398,418	6,098,437	8,659,910	42.0%

(B) Statewide Special Purpose

(I) Colorado State Employees Assistance Program

Personal Services	<u>611,709</u>	<u>609,415</u>	<u>621,877</u>	<u>715,500</u> *
FTE	8.8	9.2	10.0	11.0
Reappropriated Funds	611,709	609,415	621,877	715,500
Operating Expenses	<u>51,404</u>	<u>51,860</u>	<u>52,844</u>	<u>53,794</u> *
Reappropriated Funds	51,404	51,860	52,844	53,794
Indirect Cost Assessment	<u>83,237</u>	<u>106,194</u>	<u>130,199</u>	<u>110,018</u>
Reappropriated Funds	83,237	106,194	130,199	110,018

SUBTOTAL - (I) Colorado State Employees Assistance Program	746,350	767,469	804,920	879,312	9.2%
<i>FTE</i>	<u>8.8</u>	<u>9.2</u>	<u>10.0</u>	<u>11.0</u>	<u>10.0%</u>
Reappropriated Funds	746,350	767,469	804,920	879,312	9.2%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(II) Office of the State Architect					
Office of the State Architect	<u>452,843</u>	<u>453,825</u>	<u>467,005</u>	<u>467,005</u>	
FTE	5.0	5.0	5.0	5.0	
General Fund	452,843	453,825	467,005	467,005	
SUBTOTAL - (II) Office of the State Architect	452,843	453,825	467,005	467,005	0.0%
FTE	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0%</u>
General Fund	452,843	453,825	467,005	467,005	0.0%
(III) Colorado State Archives					
Personal Services	<u>516,119</u>	<u>507,077</u>	<u>530,013</u>	<u>588,111</u> *	
FTE	7.9	6.7	8.0	9.9	
General Fund	405,496	388,551	408,974	405,594	
Cash Funds	79,951	108,035	110,302	153,446	
Reappropriated Funds	30,672	10,491	10,737	29,071	
Operating Expenses	<u>50,744</u>	<u>38,676</u>	<u>56,794</u>	<u>362,447</u> *	
General Fund	0	33,433	51,551	362,447	
Reappropriated Funds	50,744	5,243	5,243	0	
SUBTOTAL - (III) Colorado State Archives	566,863	545,753	586,807	950,558	62.0%
FTE	<u>7.9</u>	<u>6.7</u>	<u>8.0</u>	<u>9.9</u>	<u>23.8%</u>
General Fund	405,496	421,984	460,525	768,041	66.8%
Cash Funds	79,951	108,035	110,302	153,446	39.1%
Reappropriated Funds	81,416	15,734	15,980	29,071	81.9%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(IV) Address Confidentiality Program Address Confidentiality Program					
Program Costs	<u>0</u>	<u>111,876</u>	<u>128,823</u>	<u>0</u> *	
FTE	0.0	1.0	2.0	0.0	
Cash Funds	0	111,876	128,823	0	
SUBTOTAL - (IV) Address Confidentiality Program					
Address Confidentiality Program	0	111,876	128,823	0	(100.0%)
FTE	<u>0.0</u>	<u>1.0</u>	<u>2.0</u>	<u>0.0</u>	<u>(100.0%)</u>
Cash Funds	0	111,876	128,823	0	(100.0%)
(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	119,842	119,842	119,842	0	
Reappropriated Funds	0	0	0	119,842	
Employment Security Contract Payment	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>	
General Fund	11,264	11,264	11,264	0	
Reappropriated Funds	6,736	6,736	6,736	0	
SUBTOTAL - (V) Other Statewide Special Purpose					
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	131,106	131,106	131,106	0	(100.0%)
Reappropriated Funds	6,736	6,736	6,736	119,842	1679.1%
SUBTOTAL - (B) Statewide Special Purpose					
	1,903,898	2,016,765	2,125,397	2,416,717	13.7%
FTE	<u>21.7</u>	<u>21.9</u>	<u>25.0</u>	<u>25.9</u>	<u>3.6%</u>
General Fund	989,445	1,006,915	1,058,636	1,235,046	16.7%
Cash Funds	79,951	219,911	239,125	153,446	(35.8%)
Reappropriated Funds	834,502	789,939	827,636	1,028,225	24.2%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
TOTAL - (1) Executive Director's Office	14,373,202	12,736,613	11,618,442	14,983,056	29.0%
<i>FTE</i>	<u>40.9</u>	<u>42.0</u>	<u>44.8</u>	<u>43.7</u>	<u>(2.5%)</u>
General Fund	3,340,996	2,706,177	3,901,418	4,277,520	9.6%
Cash Funds	904,642	842,079	790,951	1,017,401	28.6%
Reappropriated Funds	10,127,564	9,188,357	6,926,073	9,688,135	39.9%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 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 Resources Services

(I) State Agency Services

Personal Services	<u>1,576,597</u>	<u>1,466,626</u>	<u>1,617,780</u>	<u>1,617,780</u> *
FTE	18.1	14.6	20.2	19.2
General Fund	(20,702)	(133,100)	0	0
Reappropriated Funds	1,597,299	1,599,726	1,617,780	1,617,780
Operating Expenses	<u>77,937</u>	<u>78,252</u>	<u>88,496</u>	<u>88,496</u>
Reappropriated Funds	77,937	78,252	88,496	88,496

SUBTOTAL - (I) State Agency Services	1,654,534	1,544,878	1,706,276	1,706,276	0.0%
FTE	<u>18.1</u>	<u>14.6</u>	<u>20.2</u>	<u>19.2</u>	(5.0%)
General Fund	(20,702)	(133,100)	0	0	0.0%
Reappropriated Funds	1,675,236	1,677,978	1,706,276	1,706,276	0.0%

(II) Training Services

Training Services	<u>268,694</u>	<u>142,659</u>	<u>0</u>	<u>0</u>
FTE	1.0	1.2	0.0	0.0
Cash Funds	35,098	51,294	0	0
Reappropriated Funds	233,596	91,365	0	0
Training Services Contingency Funds	<u>0</u>	<u>47,987</u>	<u>0</u>	<u>0</u>
Cash Funds	0	17,655	0	0
Reappropriated Funds	0	30,332	0	0

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Personal Services	<u>0</u>	<u>0</u>	<u>653,578</u>	<u>653,578</u> *	
FTE	0.0	0.0	1.0	4.0	
Cash Funds	0	0	36,837	36,837	
Reappropriated Funds	0	0	616,741	616,741	
Operating Expenses	<u>0</u>	<u>0</u>	<u>23,116</u>	<u>23,116</u>	
Cash Funds	0	0	3,468	3,468	
Reappropriated Funds	0	0	19,648	19,648	
Indirect Cost Assessment	<u>0</u>	<u>9,414</u>	<u>13,898</u>	<u>4,552</u>	
Reappropriated Funds	0	9,414	13,898	4,552	
SUBTOTAL - (II) Training Services	268,694	200,060	690,592	681,246	(1.4%)
FTE	<u>1.0</u>	<u>1.2</u>	<u>1.0</u>	<u>4.0</u>	<u>300.0%</u>
Cash Funds	35,098	68,949	40,305	40,305	0.0%
Reappropriated Funds	233,596	131,111	650,287	640,941	(1.4%)
SUBTOTAL - (A) Human Resources Services	1,923,228	1,744,938	2,396,868	2,387,522	(0.4%)
FTE	<u>19.1</u>	<u>15.8</u>	<u>21.2</u>	<u>23.2</u>	<u>9.4%</u>
General Fund	(20,702)	(133,100)	0	0	0.0%
Cash Funds	35,098	68,949	40,305	40,305	0.0%
Reappropriated Funds	1,908,832	1,809,089	2,356,563	2,347,217	(0.4%)
(B) Employee Benefits Services					
Personal Services	<u>770,578</u>	<u>701,434</u>	<u>778,013</u>	<u>778,013</u> *	
FTE	10.6	9.6	10.0	12.0	
Cash Funds	770,578	701,434	778,013	778,013	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Operating Expenses	<u>33,404</u>	<u>28,549</u>	<u>58,324</u>	<u>58,324</u>	
Cash Funds	33,404	28,549	58,324	58,324	
Utilization Review	<u>40,000</u>	<u>26,153</u>	<u>40,000</u>	<u>40,000</u>	
Cash Funds	40,000	26,153	40,000	40,000	
H.B. 07-1335 Supplemental State Contribution Fund	<u>451,599</u>	<u>1,284,916</u>	<u>1,278,660</u>	<u>1,278,660</u>	
Cash Funds	451,599	1,284,916	1,278,660	1,278,660	
Indirect Cost Assessment	<u>250,261</u>	<u>209,719</u>	<u>119,427</u>	<u>60,236</u>	
Cash Funds	250,261	209,719	119,427	60,236	
SUBTOTAL - (B) Employee Benefits Services	1,545,842	2,250,771	2,274,424	2,215,233	(2.6%)
<i>FTE</i>	<u>10.6</u>	<u>9.6</u>	<u>10.0</u>	<u>12.0</u>	<u>20.0%</u>
Cash Funds	1,545,842	2,250,771	2,274,424	2,215,233	(2.6%)

(C) Risk Management Services

Personal Services	<u>648,820</u>	<u>602,347</u>	<u>753,646</u>	<u>753,646</u>	*
FTE	9.2	8.8	10.5	11.5	
Reappropriated Funds	648,820	602,347	753,646	753,646	
Operating Expenses	<u>55,356</u>	<u>53,073</u>	<u>68,427</u>	<u>283,427</u>	*
Reappropriated Funds	55,356	53,073	68,427	283,427	
Legal Services	<u>2,442,448</u>	<u>2,383,902</u>	<u>2,461,185</u>	<u>3,056,460</u>	*
Cash Funds	104,880	0	0	0	
Reappropriated Funds	2,337,568	2,383,902	2,461,185	3,056,460	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Liability Premiums	<u>5,090,471</u>	<u>4,831,358</u>	<u>4,674,104</u>	<u>4,977,729</u>	*
Cash Funds	20,193	0	0	0	
Reappropriated Funds	5,070,278	4,831,358	4,674,104	4,977,729	
Property Premiums	<u>7,881,786</u>	<u>7,824,968</u>	<u>8,698,417</u>	<u>8,254,831</u>	*
Cash Funds	19	0	0	0	
Reappropriated Funds	7,881,767	7,824,968	8,698,417	8,254,831	
Workers' Compensation Premiums	<u>35,441,933</u>	<u>33,565,516</u>	<u>38,808,757</u>	<u>41,240,079</u>	*
Reappropriated Funds	35,441,933	33,565,516	38,808,757	41,240,079	
Indirect Cost Assessment	<u>183,888</u>	<u>178,656</u>	<u>52,088</u>	<u>42,010</u>	
Reappropriated Funds	183,888	178,656	52,088	42,010	
SUBTOTAL - (C) Risk Management Services	51,744,702	49,439,820	55,516,624	58,608,182	5.6%
<i>FTE</i>	<u>9.2</u>	<u>8.8</u>	<u>10.5</u>	<u>11.5</u>	<u>9.5%</u>
Cash Funds	125,092	0	0	0	0.0%
Reappropriated Funds	51,619,610	49,439,820	55,516,624	58,608,182	5.6%
TOTAL - (2) Division of Human Resources	55,213,772	53,435,529	60,187,916	63,210,937	5.0%
<i>FTE</i>	<u>38.9</u>	<u>34.2</u>	<u>41.7</u>	<u>46.7</u>	<u>12.0%</u>
General Fund	(20,702)	(133,100)	0	0	0.0%
Cash Funds	1,706,032	2,319,720	2,314,729	2,255,538	(2.6%)
Reappropriated Funds	53,528,442	51,248,909	57,873,187	60,955,399	5.3%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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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>417,723</u>	<u>462,849</u>	<u>473,603</u>	<u>473,603</u>	
FTE	4.5	4.8	4.8	4.8	
General Fund	416,913	462,287	472,425	472,425	
Cash Funds	810	562	1,178	1,178	
Operating Expenses	<u>19,478</u>	<u>19,087</u>	<u>20,505</u>	<u>20,505</u>	
General Fund	0	0	1,027	20,505	
Reappropriated Funds	19,478	19,087	19,478	0	
Legal Services	<u>24,875</u>	<u>24,984</u>	<u>25,493</u>	<u>25,493</u>	
General Fund	24,875	24,984	25,493	25,493	
TOTAL - (3) Constitutionally Independent Entities	462,076	506,920	519,601	519,601	0.0%
FTE	4.5	4.8	4.8	4.8	0.0%
General Fund	441,788	487,271	498,945	518,423	3.9%
Cash Funds	810	562	1,178	1,178	0.0%
Reappropriated Funds	19,478	19,087	19,478	0	(100.0%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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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>717,936</u>	<u>670,543</u>	<u>740,605</u>	<u>649,250</u>	*
FTE	9.0	8.7	10.0	8.0	
Cash Funds	0	0	91,355	0	
Reappropriated Funds	717,936	670,543	649,250	649,250	
Operating Expenses	<u>66,292</u>	<u>61,325</u>	<u>77,427</u>	<u>58,445</u>	*
Cash Funds	0	0	9,502	0	
Reappropriated Funds	66,292	61,325	67,925	58,445	
Indirect Cost Assessment	<u>139,025</u>	<u>115,630</u>	<u>110,094</u>	<u>56,068</u>	*
Cash Funds	0	0	13,623	4,228	
Reappropriated Funds	139,025	115,630	96,471	51,840	
SUBTOTAL - (A) Administration	923,253	847,498	928,126	763,763	(17.7%)
FTE	9.0	8.7	10.0	8.0	(20.0%)
Cash Funds	0	0	114,480	4,228	(96.3%)
Reappropriated Funds	923,253	847,498	813,646	759,535	(6.7%)

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(B) Integrated Document Solutions (Consolidated)					
Personal Services (IDS)	<u>0</u>	<u>0</u>	<u>6,160,955</u>	<u>5,898,212</u>	
FTE	0.0	0.0	113.6	106.4	
Cash Funds	0	0	133,509	133,509	
Reappropriated Funds	0	0	6,027,446	5,764,703	
Personal Services Contingency (IDS)	<u>0</u>	<u>0</u>	<u>468,656</u>	<u>468,656</u>	
Cash Funds	0	0	8,106	8,106	
Reappropriated Funds	0	0	460,550	460,550	
Operating Expenses (IDS)	<u>0</u>	<u>0</u>	<u>12,412,890</u>	<u>12,634,397</u>	
Cash Funds	0	0	971,105	971,105	
Reappropriated Funds	0	0	11,441,785	11,663,292	
Operating Expenses Contingency Funds (IDS)	<u>0</u>	<u>0</u>	<u>700,365</u>	<u>700,365</u>	
Cash Funds	0	0	9,506	9,506	
Reappropriated Funds	0	0	690,859	690,859	
Utilities (IDS)	<u>0</u>	<u>0</u>	<u>69,000</u>	<u>69,000</u>	
Reappropriated Funds	0	0	69,000	69,000	
Mail Equipment Purchase (IDS)	<u>0</u>	<u>0</u>	<u>223,754</u>	<u>223,754</u>	
General Fund	0	0	46,130	46,130	
Reappropriated Funds	0	0	177,624	177,624	
Address Confidentiality Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>128,823</u> *	
FTE	0.0	0.0	0.0	2.0	
Cash Funds	0	0	0	128,823	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Indirect Cost Assessment (IDS)	<u>0</u>	<u>0</u>	<u>920,565</u>	<u>384,732</u>	
Reappropriated Funds	0	0	920,565	384,732	
SUBTOTAL - (B) Integrated Document Solutions (Consolidated)	0	0	20,956,185	20,507,939	(2.1%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>113.6</u>	<u>108.4</u>	<u>(4.6%)</u>
General Fund	0	0	46,130	46,130	0.0%
Cash Funds	0	0	1,122,226	1,251,049	11.5%
Reappropriated Funds	0	0	19,787,829	19,210,760	(2.9%)

(B) Integrated Document Solutions

(I) Reprographics Services

Personal Services	<u>811,727</u>	<u>1,135,942</u>	<u>0</u>	<u>0</u>
FTE	19.0	22.8	0.0	0.0
Cash Funds	24,261	102,550	0	0
Reappropriated Funds	787,466	1,033,392	0	0
Personal Services Contingency Funds	<u>0</u>	<u>48,725</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0
Reappropriated Funds	0	48,725	0	0
Operating Expenses	<u>3,092,922</u>	<u>3,296,885</u>	<u>0</u>	<u>0</u>
Cash Funds	59,358	0	0	0
Reappropriated Funds	3,033,564	3,296,885	0	0
Operating Expenses Contingency Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>214,955</u>	<u>158,482</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	214,955	158,482	0	0	
SUBTOTAL - (I) Reprographics Services	4,119,604	4,640,034	0	0	0.0%
<i>FTE</i>	<u>19.0</u>	<u>22.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	83,619	102,550	0	0	0.0%
Reappropriated Funds	4,035,985	4,537,484	0	0	0.0%
(II) Document Solutions Group					
Personal Services	<u>2,523,979</u>	<u>2,592,877</u>	<u>0</u>	<u>0</u>	
FTE	47.7	45.5	0.0	0.0	
Cash Funds	42,899	112,346	0	0	
Reappropriated Funds	2,481,080	2,480,531	0	0	
Personal Services Contingency Funds	<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	<u>420,575</u>	<u>427,148</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	420,575	427,148	0	0	
Utilities	<u>53,253</u>	<u>65,296</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	53,253	65,296	0	0	
Indirect Cost Assessment	<u>261,123</u>	<u>211,542</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	261,123	211,542	0	0	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (II) Document Solutions Group	3,258,930	3,296,863	0	0	0.0%
<i>FTE</i>	<u>47.7</u>	<u>45.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	42,899	112,346	0	0	0.0%
Reappropriated Funds	3,216,031	3,184,517	0	0	0.0%
(III) Mail Services					
Personal Services	<u>1,746,270</u>	<u>1,409,292</u>	<u>0</u>	<u>0</u>	
<i>FTE</i>	41.9	38.3	0.0	0.0	
Cash Funds	23,507	771,934	0	0	
Reappropriated Funds	1,722,763	637,358	0	0	
Personal Services Contingency Funds	<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	<u>7,547,893</u>	<u>7,977,923</u>	<u>0</u>	<u>0</u>	
Cash Funds	47,725	25,887	0	0	
Reappropriated Funds	7,500,168	7,952,036	0	0	
Operating Expenses Contingency Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Mail Equipment Purchase	<u>29,957</u>	<u>225,871</u>	<u>0</u>	<u>0</u>	
General Fund	14,978	46,129	0	0	
Reappropriated Funds	14,979	179,742	0	0	
Indirect Cost Assessment	<u>252,286</u>	<u>226,720</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	252,286	226,720	0	0	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (III) Mail Services	9,576,406	9,839,806	0	0	0.0%
<i>FTE</i>	<u>41.9</u>	<u>38.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	14,978	46,129	0	0	0.0%
Cash Funds	71,232	797,821	0	0	0.0%
Reappropriated Funds	9,490,196	8,995,856	0	0	0.0%
SUBTOTAL - (B) Integrated Document Solutions	16,954,940	17,776,703	0	0	0.0%
<i>FTE</i>	<u>108.6</u>	<u>106.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	14,978	46,129	0	0	0.0%
Cash Funds	197,750	1,012,717	0	0	0.0%
Reappropriated Funds	16,742,212	16,717,857	0	0	0.0%

(C) Fleet Management Program and Motor Pool Services

Personal Services	<u>712,642</u>	<u>693,015</u>	<u>737,783</u>	<u>737,783</u>
<i>FTE</i>	12.8	13.0	14.0	14.0
Reappropriated Funds	712,642	693,015	737,783	737,783
Operating Expenses	<u>20,675,568</u>	<u>21,852,233</u>	<u>25,728,564</u>	<u>25,728,564</u>
Reappropriated Funds	20,675,568	21,852,233	25,728,564	25,728,564
Operating Expenses Contingency Funds	<u>0</u>	<u>1,213,916</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	1,213,916	0	0
Vehicle Replacement Lease, Purchase or Lease/Purchase	<u>14,519,741</u>	<u>14,695,589</u>	<u>15,686,775</u>	<u>15,737,155</u> *
Reappropriated Funds	14,519,741	14,695,589	15,686,775	15,737,155
Indirect Cost Assessment	<u>641,731</u>	<u>614,667</u>	<u>681,276</u>	<u>364,528</u>
Reappropriated Funds	641,731	614,667	681,276	364,528

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (C) Fleet Management Program and Motor Pool Services	36,549,682	39,069,420	42,834,398	42,568,030	(0.6%)
<i>FTE</i>	<u>12.8</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>0.0%</u>
Reappropriated Funds	36,549,682	39,069,420	42,834,398	42,568,030	(0.6%)

(D) Facilities Maintenance - Capitol Complex

Personal Services (FM-CC)	<u>0</u>	<u>0</u>	<u>2,803,256</u>	<u>2,803,256</u>	
FTE	0.0	0.0	55.2	55.2	
Reappropriated Funds	0	0	2,803,256	2,803,256	
Operating Expenses (FM-CC)	<u>0</u>	<u>0</u>	<u>1,884,034</u>	<u>2,696,625</u> *	
Reappropriated Funds	0	0	1,884,034	2,696,625	
Capitol Complex Repairs (FM-CC)	<u>0</u>	<u>0</u>	<u>56,520</u>	<u>56,520</u>	
Reappropriated Funds	0	0	56,520	56,520	
Capitol Complex Security (FM-CC)	<u>0</u>	<u>0</u>	<u>375,064</u>	<u>375,064</u>	
Reappropriated Funds	0	0	375,064	375,064	
Utilities (FM-CC)	<u>0</u>	<u>0</u>	<u>4,163,025</u>	<u>4,866,068</u> *	
Cash Funds	0	0	290,276	290,276	
Reappropriated Funds	0	0	3,872,749	4,575,792	
Indirect Cost Assessment (FM-CC)	<u>0</u>	<u>0</u>	<u>455,882</u>	<u>2,067,945</u>	
Reappropriated Funds	0	0	455,882	2,067,945	

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (D) Facilities Maintenance - Capitol					
Complex	0	0	9,737,781	12,865,478	32.1%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>55.2</u>	<u>55.2</u>	<u>0.0%</u>
Cash Funds	0	0	290,276	290,276	0.0%
Reappropriated Funds	0	0	9,447,505	12,575,202	33.1%

(D) Facilities Maintenance

(I) Capitol Complex Facilities

Personal Services	<u>2,785,898</u>	<u>2,505,112</u>	<u>0</u>	<u>0</u>
FTE	54.1	50.4	0.0	0.0
Reappropriated Funds	2,785,898	2,505,112	0	0
Operating Expenses	<u>1,968,318</u>	<u>1,618,758</u>	<u>0</u>	<u>0</u>
Cash Funds	55,195	0	0	0
Reappropriated Funds	1,913,123	1,618,758	0	0
Capitol Complex Repairs	<u>56,520</u>	<u>56,452</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	56,520	56,452	0	0
Capitol Complex Security	<u>353,365</u>	<u>367,663</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	353,365	367,663	0	0
Utilities	<u>4,107,820</u>	<u>3,430,523</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0
Reappropriated Funds	4,107,820	3,430,523	0	0
Indirect Cost Assessment	<u>525,058</u>	<u>457,027</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	525,058	457,027	0	0

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
SUBTOTAL - (I) Capitol Complex Facilities	9,796,979	8,435,535	0	0	0.0%
<i>FTE</i>	<u>54.1</u>	<u>50.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	55,195	0	0	0	0.0%
Reappropriated Funds	9,741,784	8,435,535	0	0	0.0%

(II) Grand Junction State Services Building

Personal Services	<u>0</u>	<u>44,773</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	1.0	0.0	0.0
Reappropriated Funds	0	44,773	0	0
Operating Expenses	<u>0</u>	<u>104,142</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	104,142	0	0
Utilities	<u>0</u>	<u>82,987</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	82,987	0	0

SUBTOTAL - (II) Grand Junction State Services Building	0	231,902	0	0	0.0%
<i>FTE</i>	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Reappropriated Funds	0	231,902	0	0	0.0%

(III) Camp George West

Personal Services	<u>0</u>	<u>68,888</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	1.0	0.0	0.0
Reappropriated Funds	0	68,888	0	0
Operating Expenses	<u>0</u>	<u>101,659</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	101,659	0	0

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
Utilities	<u>0</u>	<u>410,882</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	0	410,882	0	0	
SUBTOTAL - (III) Camp George West	0	581,429	0	0	0.0%
<i>FTE</i>	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Reappropriated Funds	0	581,429	0	0	0.0%
SUBTOTAL - (D) Facilities Maintenance	9,796,979	9,248,866	0	0	0.0%
<i>FTE</i>	<u>54.1</u>	<u>52.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	55,195	0	0	0	0.0%
Reappropriated Funds	9,741,784	9,248,866	0	0	0.0%
TOTAL - (4) Central Services	64,224,854	66,942,487	74,456,490	76,705,210	3.0%
<i>FTE</i>	<u>184.5</u>	<u>180.7</u>	<u>192.8</u>	<u>185.6</u>	<u>(3.7%)</u>
General Fund	14,978	46,129	46,130	46,130	0.0%
Cash Funds	252,945	1,012,717	1,526,982	1,545,553	1.2%
Reappropriated Funds	63,956,931	65,883,641	72,883,378	75,113,527	3.1%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
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(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER

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) Office of the State Controller

Personal Services	<u>2,206,471</u>	<u>2,529,645</u>	<u>2,518,582</u>	<u>2,682,872</u> *
FTE	27.5	28.5	34.3	34.1
General Fund	983,508	570,467	2,143,661	804,862
Cash Funds	578,565	272,555	374,921	1,152,617
Reappropriated Funds	644,398	1,686,623	0	725,393
Operating Expenses	<u>108,252</u>	<u>110,177</u>	<u>130,275</u>	<u>141,581</u> *
General Fund	0	0	6,079	35,583
Cash Funds	18,253	82,407	105,998	105,998
Reappropriated Funds	89,999	27,770	18,198	0
Recovery Audit Program Disbursements	0	0	<u>1,600,000</u>	<u>1,600,000</u>
Cash Funds	0	0	1,600,000	1,600,000

SUBTOTAL - (A) Office of the State Controller	2,314,723	2,639,822	4,248,857	4,424,453	4.1%
FTE	<u>27.5</u>	<u>28.5</u>	<u>34.3</u>	<u>34.1</u>	(0.6%)
General Fund	983,508	570,467	2,149,740	840,445	(60.9%)
Cash Funds	596,818	354,962	2,080,919	2,858,615	37.4%
Reappropriated Funds	734,397	1,714,393	18,198	725,393	3886.1%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(B) State Purchasing Office					
Personal Services	<u>923,977</u>	<u>706,807</u>	<u>805,769</u>	<u>910,223</u>	*
FTE	8.7	7.2	12.5	11.5	
General Fund	55,645	(1)	0	0	
Cash Funds	868,332	706,808	805,769	910,223	
Operating Expenses	<u>158,731</u>	<u>25,979</u>	<u>27,000</u>	<u>32,798</u>	*
Cash Funds	158,731	25,979	27,000	32,798	
SUBTOTAL - (B) State Purchasing Office	1,082,708	732,786	832,769	943,021	13.2%
FTE	8.7	7.2	12.5	11.5	(8.0%)
General Fund	55,645	(1)	0	0	0.0%
Cash Funds	1,027,063	732,787	832,769	943,021	13.2%

(C) Supplier Database

Personal Services	<u>240,573</u>	<u>193,917</u>	<u>238,271</u>	<u>428,426</u>	*
FTE	2.7	2.2	4.0	7.0	
Cash Funds	240,573	193,917	238,271	428,426	
Operating Expenses	<u>45,573</u>	<u>1,124,476</u>	<u>1,150,510</u>	<u>2,501,539</u>	*
Cash Funds	45,573	1,124,476	1,150,510	2,501,539	
SUBTOTAL - (C) Supplier Database	286,146	1,318,393	1,388,781	2,929,965	111.0%
FTE	2.7	2.2	4.0	7.0	75.0%
Cash Funds	286,146	1,318,393	1,388,781	2,929,965	111.0%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	Request vs. Appropriation
(D) Collections Services					
Personal Services	<u>916,561</u>	<u>754,822</u>	<u>924,596</u>	<u>924,596</u>	
FTE	18.4	15.1	20.0	20.0	
Cash Funds	916,561	754,822	924,596	924,596	
Operating Expenses	<u>333,914</u>	<u>348,655</u>	<u>649,085</u>	<u>349,085</u>	
Cash Funds	333,914	348,655	649,085	349,085	
Private Collection Agency Fees	<u>775,218</u>	<u>675,154</u>	<u>1,105,136</u>	<u>1,105,136</u>	
Cash Funds	775,218	675,154	1,105,136	1,105,136	
Indirect Cost Assessment	<u>342,534</u>	<u>270,124</u>	<u>288,718</u>	<u>250,433</u>	
Cash Funds	342,534	270,124	288,718	250,433	
SUBTOTAL - (D) Collections Services	2,368,227	2,048,755	2,967,535	2,629,250	(11.4%)
FTE	<u>18.4</u>	<u>15.1</u>	<u>20.0</u>	<u>20.0</u>	<u>0.0%</u>
Cash Funds	2,368,227	2,048,755	2,967,535	2,629,250	(11.4%)
TOTAL - (5) Division of Accounts and Control -					
Controller	6,051,804	6,739,756	9,437,942	10,926,689	15.8%
FTE	<u>57.3</u>	<u>53.0</u>	<u>70.8</u>	<u>72.6</u>	<u>2.5%</u>
General Fund	1,039,153	570,466	2,149,740	840,445	(60.9%)
Cash Funds	4,278,254	4,454,897	7,270,004	9,360,851	28.8%
Reappropriated Funds	734,397	1,714,393	18,198	725,393	3886.1%

JBC Staff Budget Briefing: FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 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>3,116,039</u>	<u>3,192,556</u>	<u>3,229,131</u>	<u>3,229,131</u> *	
FTE	36.6	37.3	40.0	40.0	
Cash Funds	103,743	144,211	93,692	105,916	
Reappropriated Funds	3,012,296	3,048,345	3,135,439	3,123,215	
Operating Expenses	<u>134,589</u>	<u>128,286</u>	<u>556,197</u>	<u>143,260</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	134,589	128,286	556,197	143,260	
Indirect Cost Assessment	<u>258,320</u>	<u>185,047</u>	<u>15,853</u>	<u>171,000</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	258,320	185,047	15,853	171,000	
TOTAL - (6) Administrative Courts	3,508,948	3,505,889	3,801,181	3,543,391	(6.8%)
FTE	<u>36.6</u>	<u>37.3</u>	<u>40.0</u>	<u>40.0</u>	0.0%
Cash Funds	103,743	144,211	93,692	105,916	13.0%
Reappropriated Funds	3,405,205	3,361,678	3,707,489	3,437,475	(7.3%)
TOTAL - Department of Personnel	143,834,656	143,867,194	160,021,572	169,888,884	6.2%
FTE	<u>362.7</u>	<u>352.0</u>	<u>394.9</u>	<u>393.4</u>	(0.4%)
General Fund	4,816,213	3,676,943	6,596,233	5,682,518	(13.9%)
Cash Funds	7,246,426	8,774,186	11,997,536	14,286,437	19.1%
Reappropriated Funds	131,772,017	131,416,065	141,427,803	149,919,929	6.0%

Appendix B: Recent Legislation Affecting Department Budget

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by \$485,722 total funds, of which \$160,447 is General Fund, \$58,391 is cash funds, and \$266,884 is reappropriated funds.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1080: Transfers the Address Confidentiality Program from the Department of State to the Department of Personnel.

2012 Session Bills

S.B. 12-150: Centralizes management of certain state public finance transactions in the State Treasurer's Office. Decreases the FY 2012-13 Long Bill appropriation for the Division of Accounts and Control – Controller, Office of the State Controller in the Department of Personnel by \$42,961 General Fund and 0.5 FTE.

H.B. 12-1193: Supplemental appropriation to the Department of Personnel for FY 2011-12 and FY 2010-11.

H.B. 12-1246: Changes the payday schedule for employees compensated on a biweekly basis to reverse a payday shift enacted in 2003 that moved the last payment of the fiscal year into the next fiscal year. Reversing the payday shift for employees compensated on a biweekly basis returns the payment for these employees to the fiscal year in which the employee earns the pay. Makes the following appropriations:

DEPARTMENT	Total	General Fund	Reappropriated Funds	Federal Funds
Agriculture	\$9,456	\$9,456	\$0	\$0
Corrections	136,460	136,460	0	0
Education	173,373	173,373	0	0
Governor	1,895	1,895	0	0
Health Care Policy and Financing	285,719	157,109	0	128,610
Human Services	984,145	726,924	257,221	0
Judicial	16,115	16,115	0	0
Law	8,799	8,799	0	0
Legislature	69,278	69,278	0	0
Local Affairs	793	793	0	0

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

DEPARTMENT	Total	General Fund	Reappropriated Funds	Federal Funds
Natural Resources	228,047	228,047	0	0
Public Health and Environment	6,885	6,885	0	0
Public Safety	25,473	25,473	0	0
Revenue	133,783	133,783	0	0
Treasury	<u>794</u>	<u>794</u>	<u>0</u>	<u>0</u>
Total	\$2,081,015	\$1,695,184	\$257,221	\$128,610

H.B. 12-1335: General appropriations act for FY 2012-13.

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

Long Bill Footnotes

- 48a Department of Personnel and Administration, Division of Human Resources, Employee Benefits Services** -- It is the intent of the General Assembly that the Department shall submit to the Joint Budget Committee the projected premium increases for State and employee contributions for employee group benefits for the upcoming fiscal year. The information shall be submitted in time to be considered as a part of the Joint Budget Committee staff's annual total compensation recommendations for the upcoming fiscal year.

Requests for Information

- 5. All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2011 information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2010-11. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2011-12.

Department of Personnel and Administration Response – As of November 1, 2011, the Department has no federal or cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2010-11, not otherwise included in the Long Bill. At this time, the Department is not aware of any federal grants or private donations that will be received during FY 2011-12 that would increase its FTE.

- H.B. 10-1178: 24-75-1303. Report to general assembly.** (1) On or before November 1, 2011, and on or before November 1 of each year thereafter, each state agency shall submit to the Joint Budget Committee of the General Assembly a report, in accordance with Generally Accepted Accounting Principles, of all grants made to the state agency during the immediately preceding state fiscal year, which grants provided funding for a bill enacted by the General Assembly that relies entirely or in any part on grant moneys for the funding source of the program, service, study, interim committee, or other governmental function required by the bill. The state agency shall be prepared to review the report at the state agency's briefing with the Joint Budget Committee in connection with its annual budget request.

Department of Personnel and Administration Response:

Non-Governmental Entity Grants.

Capitol Dome Restoration. For FY 2010-11, two special bills were enacted that rely in part on grant (including gifts and donations) moneys for the funding source of a program

JBC Staff Budget Briefing – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

to restore and preserve the Colorado State Capitol Dome Exterior Enclosure. Note that neither bill actually makes an appropriation, but relies on the annual budget process to do so.

SB 10-192 transfers \$4.0 million from the State Historical Fund to the Capitol Dome Restoration Fund for FY 2010-11. All moneys transferred from the State Historical Fund are to come from that portion of the fund reserved for the Statewide Grant Program for Preservation. For FY 2011-12 and FY 2012-13, the bill transfers up to \$4.0 million, and specifies that: the \$4.0 million maximum amount transferred shall be reduced, dollar for dollar, by the combined total of donations received through cause-related marketing, and, by any grants made by the State Historical Society to repair the capitol dome.

HB 10-1402 authorizes the Capital Development Committee (CDC) to approve and oversee a two-year grassroots fund-raising effort and any agreements made with a nonprofit statewide historic preservation organization (nonprofit) and a marketing firm for a cause-related marketing and cause-related sponsorship program to raise money to repair the state capitol dome. The bill specifies the powers and duties of the CDC regarding this effort. Additionally, the Capitol Building Advisory Committee is authorized to review, advise, and make recommendations to the CDC about proposed fund-raising efforts.

As moneys are needed for discrete phases of the project, the nonprofit and the Department of Personnel and Administration shall coordinate the timing and amount of the donation of moneys raised through the fund-raising efforts. Moneys received shall be credited to the Capitol Dome Restoration Trust Fund and used to pay for costs to restore the state capitol dome subject to both an approved capital construction project request and appropriations by the legislature.

Donations Received in FY 2010-11

For FY 2010-11, a total of \$75,262 was raised from donations towards the Capitol Dome project. The attached quarterly reports for FY 2010-11 to the Capital Development Committee are from Share in the Care Colorado, the cause-related marketing firm chosen by the State, and detail all donations made in that fiscal year. The amount of funding to be received through donations is not pre-determined and will be variable for each year that the fund-raising campaign is in effect. The project is currently scheduled to be completed in FY 2013-14.

Statement of the state agency's intent regarding the sustainability of each program or service that is funded entirely or in any part by grant moneys in the event that grant moneys are no longer available to support the program or service in the future.

The Department believes that the sustainability of the Capitol Dome Restoration project is not at risk of decline. The balance of revenues required for the project not otherwise raised through gifts and donations shall come from the State Historical Fund, pursuant to statute.

Federal Governmental Entity Grants.

There were no special bills applicable to the Department for FY 2010-11 that relied entirely or in any part on federal grant moneys for the funding source of the program, service, study, interim committee, or other governmental function required by the bill.

Appendix D: Indirect Cost Assessment Methodology

Explanation of Indirect Cost Assessment Methodology

The Department is a central services agency and therefore its departmental indirect costs are included within the Statewide Indirect Cost Plan. The Statewide Indirect Cost Plan sets indirect cost assessments by division for the Department.

Appendix E: Change Requests' Relationship to Performance Measures

This appendix will show how the Department of Personnel indicates each change request ranks in relation to the Department's top priorities and what performance measures the Department is using to measure success of the request.

Change Requests' Relationship to Performance Measures			
R	Change Request Description	Goals / Objectives	Performance Measures
R-1	Division of Accounts and Control – Controller – Central Contracts Unit Resources	Relationship to objective not provided.	This supports the Department's performance measure of "Continually improve the perception and image of the Department of Personnel & Administration through the department's annual survey of customer satisfaction, implemented in FY 2011-12."
R-2	Division of Central Services, Integrated Document Solutions – Tax Document Processing Pipeline Efficiencies	Relationship to objective not provided.	Relationship to performance measures not provided.
R-3	Division of Accounts and Control – Controller – Resources for COFRS II eProcurement	This request supports the Department's Objective of Increasing dollars spent on price agreements with State Agencies by 5% each year.	This request supports the Department's Objective of Increasing dollars spent on price agreements with State Agencies by 5% each year.
R-4	State Archives – Preservation of Historical Records at the Colorado State Archives	Relationship to objective not provided.	Relationship to performance measures not provided.
R-5	Departmentwide – Departmental Technical Funding Adjustments	Relationship to objective not provided.	This supports the Department's performance measure of "Continually improve the perception and image of the Department of Personnel & Administration through the department's annual survey of customer satisfaction, implemented in FY 2011-12."
CP-1	Operating Common Policy Request – Division of Central Services, Facilities Maintenance – Capitol Complex – Capitol Complex Building Upgrade, Repair, and Replacement	Relationship to objective not provided.	Relationship to performance measures not provided.
CP-2	Operating Common Policy Request – Division of Human Resources, Risk Management – Employee Engagement Survey	Relationship to objective not provided.	Relationship to performance measures not provided.