

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2009-10 STAFF BUDGET BRIEFING**

**DEPARTMENT OF PERSONNEL AND  
ADMINISTRATION**

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

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**FY 2009-10 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF Personnel and Administration**

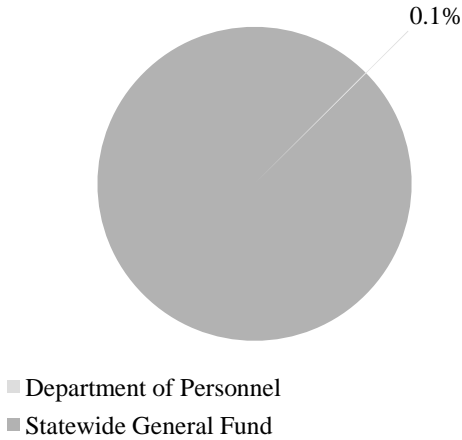
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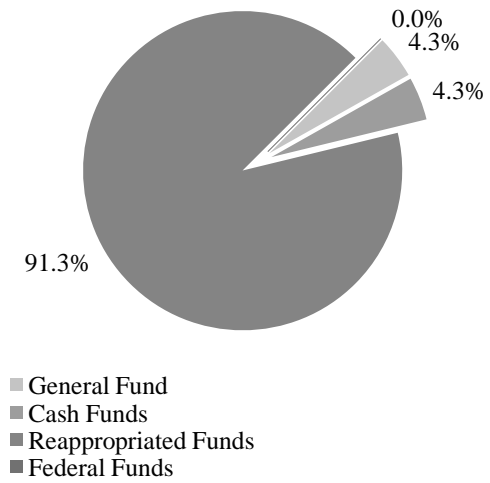
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**GRAPHIC OVERVIEW**

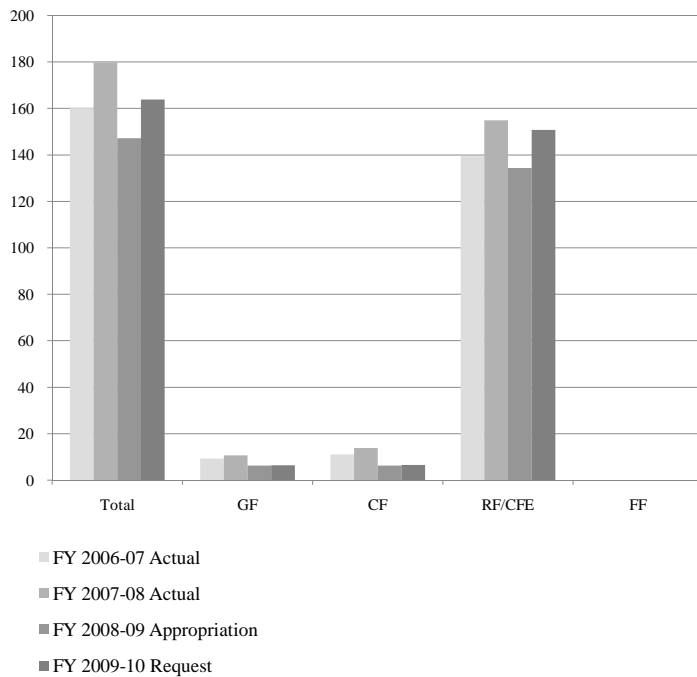
**Department's Share of Statewide General Fund**



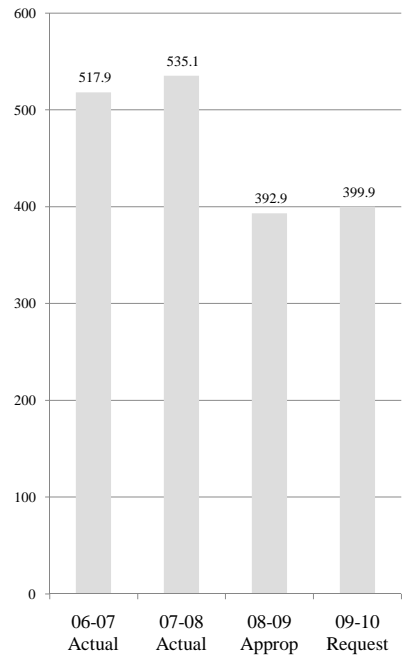
**Department Funding Sources**



**Budget History  
(Millions of Dollars)**

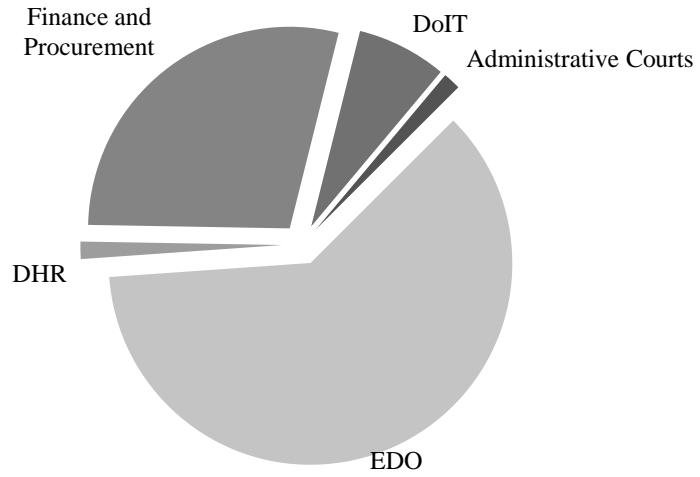


**FTE History**

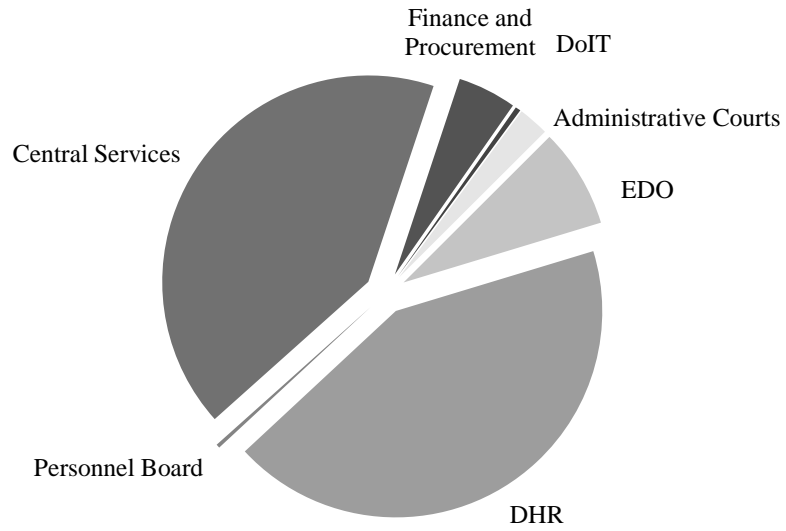


Unless otherwise noted, all charts are based on the FY 2008-09 appropriation.

### Distribution of General Fund by Division



### Distribution of Total Funds by Division



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**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- Administers and oversees the State Personnel System pursuant to Article XII, Sections 13, 14, and 15 of the Colorado Constitution, also called the "Civil Service Amendment".
- Administers and negotiates the state's employee benefits programs for group health, life and dental insurance, short-term disability insurance, and deferred compensation plans.
- Administers and negotiates the state's coverage for workers' compensation insurance, and property and liability insurance as a part of the Risk Management Program.
- Maintains the state's financial records through the Office of the State Controller, in part by utilizing the Colorado Financial Records System (COFRS).
- Administers and monitors controlled maintenance and capital construction projects.
- Provides general support services for other state agencies, including but not limited to: maintenance of archives and public records; procurement of and repairs to state-owned motor vehicles; maintenance of buildings in the Capitol Complex; provision of administrative law judge services; control of state purchasing activities; and oversight of liability, property, and workers' compensation insurance programs.

**Factors Driving the Budget**

**Number of State Employees**

The Department administers and oversees the State's workforce and programs related to compensation and benefits. The number of state employees affects many areas of the budget (such as the State's contributions for benefit and retirement programs). Presently, there is not a central database that tracks and monitors statewide human resources. Consequently, it is difficult to reconcile full-time equivalent positions (FTE) appropriated by the General Assembly with the actual number of state employees. The following table shows the number of FTE appropriated statewide, *excluding* all employees in the Department of Higher Education.

<b>State Employees</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>
Number of Paychecks for Classified Employees	22,762	22,998	23,800	24,382	24,661
Number of Paychecks for Non-Classified Employees	4,612	4,829	5,555	5,998	5,868
<b>Total Number of Paychecks <sup>(1)</sup></b>	<b>27,374</b>	<b>27,827</b>	<b>29,355</b>	<b>30,380</b>	<b>30,529</b>

State Employees	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Total Number of FTE Appropriated by the General Assembly <sup>(2)</sup>	28,351	28,536	29,107	30,211	31,138

<sup>(1)</sup> The FY 08-09 number was taken from the November 14, 2008, *Consolidated Paycheck Report* submitted by the State Controller's Office.

<sup>(2)</sup> As of July 1<sup>st</sup> of each fiscal year pursuant to the annual *Appropriations Report* produced by the JBC staff.

### **Common Policies**

State employees have costs associated with them other than salaries. The Department of Personnel and Administration administers and maintains many of the state's central functions related to employees including: medical insurance, workers' compensation coverage, and other benefits such as salary survey and performance-based pay increases. It also administers the state's property and liability programs. The number of state employees, and their salaries, does have an impact on the appropriations of some of these items.

Fiscal Year	Actual FY 04-05	Actual FY 05-06	Appropriated FY 06-07	Appropriated FY 07-08	Appropriated FY 08-09
Health, Life, and Dental*	54,433,636	57,920,924	82,271,141	101,902,121	126,926,926
Salary Survey and Anniversary/ Performance-based Pay*	39,694,946	39,694,946	40,161,337	70,899,803	75,356,446
Workers' Compensation	27,478,224	26,517,136	30,305,844	30,305,844	31,896,783
Property and Liability	<u>12,188,054</u>	<u>11,089,972</u>	<u>17,151,395</u>	<u>16,930,857</u>	<u>20,833,090</u>
TOTAL - Statewide	\$133,794,860	\$135,222,978	\$169,889,717	\$220,038,625	\$255,013,245

\* Actual years represent staff estimate based on information provided by the State Controller.

### **State Fleet Program**

The Department is mandated by statute (Section 24-30-1104(2)(a), C.R.S.) to establish and operate the state's centralized motor vehicle program. Since 1994, vehicles have been purchased through lease agreements using external financing agreements with private companies. Such agreements are for 60, 72 or 90 month periods beginning in March of each year, however, the Department uses lease agreements of 36 months for vehicles used in the Colorado State Patrol (CSP). The state typically begins the process to replace vehicles once they reach a 100,000 mile threshold, although the Colorado State Patrol vehicles are considered once they reach 80,000 miles. In FY 2008-09 State Fleet will replace 172 CSP vehicles with 115,132 average miles at replacement, and 728 non-CSP vehicles with 149,577 average miles at replacement.

<b>Fiscal Year</b>	<b>Actual FY 04-05</b>	<b>Actual FY 05-06</b>	<b>Actual FY 06-07*</b>	<b>Actual FY 07-08</b>	<b>Appropriated FY 08-09</b>
Number of Fleet Vehicles	5,569	5,109	5,457	5,457	5,565
Total Cost of Fleet Vehicles (Includes Vehicle Leases, Maintenance, and Fuel)	<b>\$27,476,106</b>	<b>\$28,297,237</b>	<b>\$30,226,116</b>	<b>\$35,286,201</b>	<b>\$33,235,636</b>

\* Includes additional vehicles per S.B. 06-15. This bill expands the fleet to include all vehicles, regardless of weight, except for specialized vehicles weighing one ton or more that are: (1) owned by an institution of higher education and are not acquired using state moneys, (2) used by the Department of Transportation for construction or maintenance, or (3) are donated to a specific state agency.

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Department of Personnel and Administration**

**DECISION ITEM PRIORITY LIST**

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1	0	0	8,036,817	0	8,036,817	0.0
<p><b>State Fleet Management Operating Increase</b></p> <p><b>Central Services.</b> The Department requests \$8,036,817 reappropriated funds from the Motor Fleet Management Fund. The request is to address continually rising prices in fuel and maintenance costs of vehicles. <i>Statutory authority: Section 24-30-1104 (2) (a),(b), and (c), C.R.S.</i></p>						
2	0	0	70,097	0	70,097	1.0
<p><b>Training Services Base Increase</b></p> <p><b>Division of Human Resources.</b> The Department requests \$70,097 reappropriated funds and 1.0 FTE in FY 2009-10 and \$151,101 reappropriated funds and 2.0 FTE in FY 2010-11 from training revenue from state agencies. The request seeks to expand the Professional Development Center's course offerings and statewide outreach with two training positions used for classroom instruction, program development and marketing efforts. <i>Statutory authority: Section 24-50-122, C.R.S.</i></p>						
3	0	0	1,615,977	0	1,615,977	0.0
<p><b>Integrated Document Factory Contingency Fund</b></p> <p><b>Central Services.</b> The Department requests \$1,617,977 reappropriated funds from the Department of Personnel Revolving Fund for the institution of "contingency funding" for unanticipated work received from state agencies throughout a fiscal year for Reprographics Services, Document Solutions Group, and Mail Services. <i>Statutory authority: Section 24-30-1101 and 1104, C.R.S.</i></p>						
4	0	149,143	0	0	149,143	2.0
<p><b>Procurement Services Statewide Outreach</b></p> <p><b>Finance and Procurement.</b> The Department requests \$149,143 cash funds and 2.0 FTE from the Supplier Database Cash Fund and from procurement card rebates. The State Procurement Office is requesting funding for two new positions to administer the Procurement Card program and guide agencies to greater use of the Procurement Card in their annual purchasing plans. <i>Statutory authority: Sections 24-101-105 (1) and 24-102-301, C.R.S.</i></p>						
5	0	0	252,571	0	252,571	0.0
<p><b>Postage Increase</b></p> <p><b>Central Services.</b> The Department requests \$252,571 reappropriated funds from the Department of Personnel Revolving Fund due to an increase in postage costs. <i>Statutory authority: Sections 24-30-1101 and 24-30-1104, C.R.S.</i></p>						
6	0	0	186,545	0	186,545	2.0
<p><b>Office of Administrative Courts Staffing Adjustment</b></p> <p><b>Administrative Courts.</b> The office of Administrative Courts requests \$186,545 and 2.0 FTE to be funded from administrative law judge fees to handle an increase in case load and general services work. <i>Statutory authority: Section 24-30-1001, C.R.S.</i></p>						



Decision Item	GF	CF	RF	FF	Total	FTE
7	0	0	69,750	0	69,750	1.0
<p><b>Ombuds Program Base Increase</b></p> <p><b>Division Name Here.</b> The Department requests \$69,750 reappropriated funds and 1.0 FTE from the Workers' Compensation Fund. The Department requests funding to launch a new Ombuds program to address state personnel system employees' workplace issues and provide information and advice on their options <i>Statutory authority: Section 24-50-604 (1)(k)(I), C.R.S.</i></p>						
8	0	0	1,428,000	0	1,428,000	0.0
<p><b>Mail Services Equipment Upgrade</b></p> <p><b>Central Services.</b> The Department requests \$1,428,000 reappropriated funds from the Department of Personnel Revolving Fund. The Department requests funding to increase mail rates to its clients and purchase upgraded hardware and software equipment including advanced address cleansing software, intelligent bar coding hardware and software, high speed intelligent inserter, and letter and flat sorter. <i>Statutory authority: Section 24-30-1104, C.R.S.</i></p>						
9	0	0	2,628,526	0	2,628,526	0.0
<p><b>Annual Fleet Vehicle Replacements</b></p> <p><b>Central Services.</b> The Department requests \$2,628,526 reappropriated funds from the Motor Pool Management Fund. The Department requests funding for the replacement of 693 fleet vehicles (including 123 State Patrol Vehicles). <i>Statutory authority: Section 24-30-1117, C.R.S.</i></p>						
10	0	0	93,705	0	93,705	0.0
<p><b>Reprographics Core Business Base Adjustment</b></p> <p><b>Central Services.</b> The Department is requesting \$93,705 reappropriated funds from the Department of Personnel Revolving Fund. The Department requests increased spending authority due to an increase in paper costs from vendors. <i>Statutory authority: Sections 24-30-1101 and 24-301107, C.R.S.</i></p>						
11	0	0	58,340	0	58,340	1.0
<p><b>Fleet Greening Manager</b></p> <p><b>Central Services.</b> The Department requests \$58,340 reappropriated funds and 1.0 FTE from the Motor Fleet Management Fund in order to meet vehicle fleet initiatives of Executive Order D007 12 concerning Greening Government. <i>Statutory authority: 24-30-1104 (2), C.R.S.</i></p>						
12	0	0	44,187	0	44,187	0.0
<p><b>Camp George West Ongoing Noxious Weeds</b></p> <p><b>Central Services.</b> The Department requests \$44,187 reappropriated funds from the Capitol Complex Facilities Fund to eradicate the noxious weeds at Camp George West under the "Colorado Noxious Weeds Act". The Department requests that this funding be provided on an on-going basis for future years. <i>Statutory authority: Sections 24-50.3-104 (2)(f) and 24-82-101, C.R.S.</i></p>						

Decision Item	GF	CF	RF	FF	Total	FTE
13	0	0	0	0	0	0.0
<p><b>FY 2009-10 Long Bill Realignment</b></p> <p><b>Executive Director's Office, Division of Human Resources, Personnel Board, Finance and Procurement, Information and Archival Services.</b> The Department requests to re-allocate the appropriations for the following: (1) Information and Archival Services, Real Estate Services Program, Colorado State Employees Assistance Program, as well as various miscellaneous statewide EDO line items into a new "Statewide Special Purpose" long bill group within the EDO; (2) split the appropriation that contains both the State Controller's Office and the State Procurement Office into distinct long bill groups; and (3) separate out the Independent Ethics Commission (IEC) from the office of Administrative Courts, and place the IEC into a new "Constitutionally Independent Entities" long bill group along with the Personnel Board. <i>Statutory authority: Section 24-1-107, C.R.S.</i></p>						
14	0	15,658	0	0	15,658	0.0
<p><b>Central Collections Services Annual Temporary Staffing</b></p> <p><b>Finance and Procurement.</b> The Department requests \$15,658 cash funds from the Debt Collection Fund in order to hire four temporary staff to assist with increased work volume related to periods after tax offset notices are mailed and during the tax season when refunds are offset. <i>Statutory authority: Section 24-30-202.4 (1), C.R.S.</i></p>						
<b>Total - Decision Items</b>	<b>0</b>	<b>164,801</b>	<b>14,484,515</b>	<b>0</b>	<b>14,649,316</b>	<b>7.0</b>
<b>Non-Prioritized Statewide Decision Items</b>						
NPSWDI-1	0	0	247	0	247	0.0
<p><b>SW Common Policy - Administrative Law Judge</b></p> <p><b>Executive Director's Office.</b> Department of Personnel share of costs related to Department of Personnel DI-6 "Office of Administrative Courts Staffing Adjustment".</p>						
NPSWDI-2	0	0	8,700	0	8,700	0.0
<p><b>SW Common Policy - Vehicle Lease Payments</b></p> <p><b>Executive Director's Office.</b> Department of Personnel share of costs related to Department of Personnel DI-9 "Annual Fleet Vehicle Replacement".</p>						
NPSWDI-3	119	2	323	0	444	0.0
<p><b>SW Common Policy - Ombuds Program</b></p> <p><b>Executive Director's Office.</b> Department of Personnel share of costs related to Department of Personnel DI-7 "Ombuds Program Base Increase".</p>						
NPSWDI-4	0	0	165,346	0	165,346	0.0
<p><b>SW Common Policy - Fleet Fuel</b></p> <p><b>Central Services.</b> Department of Personnel share of costs related to Department of Personnel DI-1 "State Fleet Management Operating Increase".</p>						

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
NPSWDI-5 <b>SW Common Policy - Mail and Postage Increase</b> <b>Central Services.</b> Department of Personnel share of costs related to Department of Personnel DI-5 "Postage Increase" and DI-8 "Mail Services Equipment Upgrade".	9,283	0	16,632	0	25,915	0.0
<b>Total - Non-Prioritized Statewide Decision Items</b>	<b>9,402</b>	<b>2</b>	<b>191,248</b>	<b>0</b>	<b>200,652</b>	<b>0.0</b>
<b>Non-Prioritized DPA Corresponding Spending Authority Items</b>						
NP-1 <b>Fleet Vehicle Lease for Agriculture DI-3</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel, Central Services, Fleet Management Program and Motor Pool Service, Vehicle Replacement Lease, Purchase or Lease/Purchase line item for additional vehicle request in the Department of Agriculture.	0	0	276	0	276	0.0
NP-2 <b>DPA Fleet Vehicle Lease for DPHE DI-3</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	12,089	0	12,089	0.0
NP-3 <b>DPA Fleet Vehicle Lease for Local Affairs DI-1</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	3,452	0	3,452	0.0
NP-4 <b>DPA Fleet Vehicle Lease for Corrections DI-1</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	38,758	0	38,758	0.0
NP-5 <b>DPA Fleet Vehicle Lease for Corrections DI-2</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	2,911	0	2,911	0.0
NP-6 <b>DPA Fleet Vehicle Lease for Corrections DI-4</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	60,759	0	60,759	0.0
NP-7 <b>DPA Fleet Vehicle Lease for Corrections DI-10</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	1,215	0	1,215	0.0

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
NP-8 <b>DPA Fleet Vehicle Lease for Corrections DI-15</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	2,431	0	2,431	0.0
NP-9 <b>DPA Fleet Vehicle Lease for Corrections DI-18</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	1,000	0	1,000	0.0
NP-10 <b>DPA Fleet Vehicle Lease for Public Safety DI-1</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	900	0	900	0.0
NP-11 <b>DPA Fleet Vehicle Lease for Public Safety DI-10</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	900	0	900	0.0
NP-12 <b>DPA Fleet Vehicle Lease for Public Safety DI-14</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	900	0	900	0.0
NP-13 <b>Microfilm Increases for Revenue DI-4</b> <b>Central Services.</b> Increase in costs of microfilm rates and increase in number of microfilm documents.	0	0	61,739	0	61,739	0.0
NP-14 <b>PDEC Increases for Revenue DI-3</b> <b>Central Services.</b> Data entry rate increase and data capture expansion.	0	0	154,423	0	154,423	0.0
NP-15 <b>Digital Imaging Storage for Revenue DI-5</b> <b>Central Services.</b> Increase in costs for digital images storage for titles and driver and vehicle services.	0	0	152,469	0	152,469	0.0
NP-16 <b>DPA Fleet Vehicle Lease for DHS DI- 7</b> <b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.	0	0	8,496	0	8,496	0.0
NP-17 <b>Imaging Costs for Revenue DI-6</b> <b>Central Services.</b> Imaging equipment for Motor Vehicle Dealer Licensing Board.	0	0	86,290	0	86,290	0.0

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
NP-18	0	0	1,084	0	1,084	0.0
<b>DPA Fleet Vehicle Lease for Natural Resources DI-13</b>						
<b>Central Services.</b> Corresponding vehicle lease spending authority in the Department of Personnel.						
<b>Total - Non-Prioritized DPA Corresponding Spending Authority Items</b>	<b>0</b>	<b>0</b>	<b>590,092</b>	<b>0</b>	<b>590,092</b>	<b>0.0</b>
<b>Total</b>	<b>9,402</b>	<b>164,803</b>	<b>15,265,855</b>	<b>0</b>	<b>15,440,060</b>	<b>7.0</b>

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2008-09 appropriation and its FY 2009-10 request.

**Total Requested Change, FY 2008-09 to FY 2009-10 (millions of dollars)**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	\$6.4	\$6.4	\$134.3	\$0.0	\$147.1	392.9
FY 2009-10 Request	6.5	6.5	150.8	0.0	163.8	399.9
Increase / (Decrease)	\$0.1	\$0.1	\$16.5	\$0.0	\$16.7	7.0
Percentage Change	1.6%	1.6%	12.3%	n/a	11.4%	1.8%

The following table highlights the individual changes contained in the Department's FY 2009-10 budget request, as compared with the FY 2008-09 appropriation. For additional detail, see the numbers pages in Appendix A.

**Requested Changes, FY 2008-09 to FY 2009-10**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<b>Executive Director's Office</b>						
DI-13 (Long Bill Reorganization-move C-SEAP, State Architect and Archives to EDO)	\$1,017,677	\$93,811	\$877,790	\$0	\$1,989,278	25.5
Annualize employee benefits	(113,566)	0	145,767	0	32,201	0.0
SWDI-vehicle lease (DI-9)	0	0	8,700	0	8,700	0.0
SWDI-mail/postage (DI-5,8)	7,770	0	0	0	7,770	0.0
SWDI-ombuds program (DI-7)	119	2	323	0	444	0.0
SWDI-ALJ (DI-6)	0	0	247	0	247	0.0
HIPAA risk assessment	0	0	(35,000)	0	(35,000)	0.0
<b>Subtotal</b>	<b>\$912,000</b>	<b>\$93,813</b>	<b>\$997,827</b>	<b>\$0</b>	<b>\$2,003,640</b>	<b>25.5</b>
<b>Division of Human Resources</b>						
Annualize employee benefits	\$0	\$0	\$166,590	\$0	\$166,590	0.0
Annualize indirect costs	0	0	109,131	0	109,131	0.0
DI-2 training services	0	0	70,097	0	70,097	1.0
SWDI-mail/postage (DI-5,8)	411	0	1,061	0	1,472	0.0

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
DI-13 (move C-SEAP to EDO)	0	0	(853,947)	0	(853,947)	(10.0)
<b>Subtotal</b>	<b>\$411</b>	<b>\$0</b>	<b>(\$507,068)</b>	<b>\$0</b>	<b>(\$506,657)</b>	<b>(9.0)</b>
<b>Personnel Board</b>						
DI-13 (move Personnel Board to new division "Constitutionally Independent Entities")	\$0	(\$1,196)	(\$484,782)	\$0	(\$485,978)	(4.8)
<b>Subtotal</b>	<b>\$0</b>	<b>(\$1,196)</b>	<b>(\$484,782)</b>	<b>\$0</b>	<b>(\$485,978)</b>	<b>(4.8)</b>
<b>Constitutionally Independent Entitites (DI-13 request to create new division)</b>						
DI-13 (add Personnel Board to new division "Constitutionally Independent Entities")	\$0	\$1,196	\$484,782	\$0	\$485,978	4.8
DI-13 (add Independent Ethics Commission to new division "Constitutionally Independent Entities")	91,191	0	0	0	91,191	1.8
Annualize employee benefits	0	0	28,946	0	28,946	0.0
SWDI-mail/postage (DI-5,8)	264	0	0	0	264	0.0
<b>Subtotal</b>	<b>\$91,455</b>	<b>\$1,196</b>	<b>\$513,728</b>	<b>\$0</b>	<b>\$606,379</b>	<b>6.6</b>
<b>Central Services</b>						
DI-1 (state fleet operating)	\$0	\$0	\$8,036,817	\$0	\$8,036,817	0.0
DI-9 (fleet vehicle replacements)	0	0	2,628,526	0	2,628,526	0.0
DI-3 (IDF contingency fund)	0	0	1,615,977	0	1,615,977	0.0
DI-8 (mail equipment upgrade)	0	0	1,428,000	0	1,428,000	0.0
NPDI-1 through 18	0	0	590,092	0	590,092	0.0
Annualize employee benefits	0	0	349,123	0	349,123	0.0
Annualize indirect costs	0	0	303,020	0	303,020	0.0
DI-5 (postage increase)	0	0	252,571	0	252,571	0.0
SWDI-fleet fuel (DI-1)	0	0	165,346	0	165,346	0.0
DI-10 (paper costs)	0	0	93,705	0	93,705	0.0
DI-11 (fleet greening manager)	0	0	58,340	0	58,340	1.0
DI-12 (CGW noxious weeds)	0	0	44,187	0	44,187	0.0
SWDI-mail/postage (DI-5,8)	0	0	14,199	0	14,199	0.0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,579,903</b>	<b>\$0</b>	<b>\$15,579,903</b>	<b>1.0</b>

Category	GF	CF	RF	FF	Total	FTE
<b>Office of State Controller (DI-13 request to create new division)</b>						
DI-13 (create standalone division "Office of State Controller")	\$1,294,381	\$1,048,014	\$110,155	\$0	\$2,452,550	27.5
Annualize employee benefits / fund mix adjustment	189,670	(76,632)	0	0	113,038	0.0
SWDI-mail/postage (DI-5,8)	838	0	0	0	838	0.0
<b>Subtotal</b>	<b>\$1,484,889</b>	<b>\$971,382</b>	<b>\$110,155</b>	<b>\$0</b>	<b>\$2,566,426</b>	<b>27.5</b>
<b>Finance and Procurement</b>						
DI-13 (create standalone sub-division and re-name to "State Purchasing Office")	\$0	\$834,204	\$0	\$0	\$834,204	9.0
DI-4 (procurement services statewide outreach)	0	149,143	0	0	149,143	2.0
Annualize employee benefits	0	49,632	34,424	0	84,056	0.0
DI-14 (central collections temporary staff)	0	15,658	0	0	15,658	0.0
Fund mix adjustment	0	5,549	(5,549)	0	0	0.0
DI-13 (move "State Controller's Office" to create standalone division "Office of State Controller")	(1,294,381)	(1,021,014)	(110,155)	0	(2,425,550)	(27.5)
DI-13 (move "Procurement Services" to create a standalone sub-division "State Purchasing Office")	0	(834,204)	0	0	(834,204)	(9.0)
DI-13 (move "Real Estate Services Program" to EDO and re-name to "State Architect")	(533,168)	0	0	0	(533,168)	(6.0)
Annualize indirect costs	0	0	(88,540)	0	(88,540)	0.0
<b>Subtotal</b>	<b>(\$1,827,549)</b>	<b>(\$801,032)</b>	<b>(\$169,820)</b>	<b>\$0</b>	<b>(\$2,798,401)</b>	<b>(31.5)</b>
<b>Information and Archival Services</b>						
DI-13 (move to EDO and re-name to "Colorado State Archives")	(\$460,206)	(\$93,811)	(\$10,901)	\$0	(\$564,918)	(8.5)
<b>Subtotal</b>	<b>(\$460,206)</b>	<b>(\$93,811)</b>	<b>(\$10,901)</b>	<b>\$0</b>	<b>(\$564,918)</b>	<b>(8.5)</b>



<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<b>Administrative Courts</b>						
DI-6 (additional staff)	\$0	\$0	\$186,545	\$0	\$186,545	2.0
Annualize employee benefits	0	0	134,848	0	134,848	0.0
Annualize indirect costs	0	0	102,042	0	102,042	0.0
SWDI-mail/postage (DI-5,8)	0	0	1,221	0	1,221	0.0
DI-13 (move Independent Ethics Commission to newly requested division "Constitutionally Independent Entitites")	(91,191)	0	0	0	(91,191)	(1.8)
<b>Subtotal</b>	<b>(\$91,191)</b>	<b>\$0</b>	<b>\$424,656</b>	<b>\$0</b>	<b>\$333,465</b>	<b>0.2</b>
<b>Total Change</b>	<b>\$109,809</b>	<b>\$170,352</b>	<b>\$16,453,698</b>	<b>\$0</b>	<b>\$16,733,859</b>	<b>7.0</b>

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: Public Employees Retirement Association (PERA)**

The Public Employees Retirement Association (PERA) has experienced a drastic decrease to its investment portfolio market valuation as a result of the recent unraveling of financial markets. This reduction has forced PERA management to re-consider its underlying investment, actuarial, and asset/liability assumptions and projections.

**SUMMARY:**

- Based on the December 31, 2007, Comprehensive Annual Financial Report (CAFR), PERA's market valuation of investment portfolio was valued at \$41.4 billion. All divisions' amortization periods were listed as finite. The funded ratio on Market Value of Assets stood at 78 percent.
- The valuation of the entire PERA portfolio as of December 12, 2008, is estimated to be \$30.1 billion. This represents a \$11.3 billion drop in the PERA portfolio market valuation, or a 27.2 percent drop. Using the same assumptions as contained in the December 31, 2007, CAFR, staff estimates that the funded ratio on Market Value of Assets stands at 56.8 percent.
- PERA believes that it needs to undertake several studies during 2009 in order to be able to assess the impact of what has happened on PERA's portfolio, as well as use the most recent data and actuarial projections in estimating what policy changes may be most appropriate for PERA's actuarial soundness.
- As a result of the financial crisis and the reduced valuation of investment portfolios, PERA does not believe that a merger with Denver Public Schools Retirement System (DPSRS) as specified under H.B. 08-1403 is feasible.

**RECOMMENDATION:**

Staff recommends the Committee discuss the unfunded liability experienced in the PERA Trust Fund with representatives from the Public Employees' Retirement Association. Specifically, staff recommends the following:

1. Has PERA discussed what constitutes an actuarial emergency? At what funding level would this occur? Is declaring an actuarial emergency the only way the Association can support increasing the employee contribution to help address the unfunded liability? Is declaring an

actuarial emergency more feasible now given the financial crisis and the drop in PERA's market valuation?

2. What legislation does the Public Employees' Retirement Association plan to pursue in 2009 and 2010 that will address the unfunded liability in its' trust funds?

**DISCUSSION:**

**PERA Valuation as of December 31, 2007**

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2007, indicates that the unfunded actuarial accrued liability in the pension trust fund (State and School Division) stands at approximately \$12.3 billion. On December 31, 2007, the State and School Divisions funding ratios stood at 73.3 percent and 75.5 percent respectively. At such levels, the amortization periods are infinite. Section 24-51-211, C.R.S., requires a maximum amortization of 30 years in order for the fund to be deemed actuarially sound. Thus, the current schedule of amortization is outside of statutorily established guidelines.

Below is an excerpt from PERA's actuary on current funding taken from the December 31, 2007, CAFR:

"Colorado has a funded ratio of 75% based on the Actuarial Value of Assets. The funded ratio on Market Value of Assets is higher, at 78%....the recent contribution changes combined with the benefit changes of SB 06-235 are expected to stabilize the State and School Division Trust Funds by attaining a 30-year amortization within the projected actuarial period based on previous actuarial projections."

<b>Unfunded Liability as of December 31, 2007*</b>		
<b>Trust Fund</b>	<b>Unfunded Liability (in thousands)</b>	<b>Amortization Period</b>
State	\$5,169,615	Infinite
School	\$7,170,659	Infinite
Local Government	\$670,352	25 Years
Judicial	\$32,982	94 Years
Health Care	\$1,044,819	38 Years

\* From Comprehensive Annual Financial Report, December 31, 2007

Based on the December 31, 2007, valuation, the amortization periods for each fund are shown below including all future AED and SAED contributions:

Amortization Period as of December 31, 2007*			
Trust Fund	With AED	With AED and SAED	
State	Infinite	69 Years	
School	Infinite	42 Years	
Local Government	24 Years	14 Years	
Judicial	78 Years	22 Years	
Health Care	38 Years	38 Years	

\* From Comprehensive Annual Financial Report, December 31, 2007

The CAFR states that although current fundin is sufficient to pay expected benefit payments for decades, the contribution rates on December 31, 2007, are not sufficient to support the current benefit structures of the State Division Trust Fund, the School Division Trust Fund, and the Judicial Division Trust Fund.

### **Contribution Rate Sufficiency**

The CAFR states that in 2007, the amount received from employers as contributions and the Amortization Equalization Disbursement (S.B. 04-257), was not sufficient to meet the Annual Required Contribution (ARC) rate calculation as specified by Government Accounting Standards Board (GASB) Statements No. 25 and No. 43, which assumes a 30-year amortization period for all of the funds.

TRUST FUND	ARC	Employer Contribution	Health Care Contribution	AED	Contribution Available for Funding
State Division	18.45%	10.15%	-1.02%	1.00%	10.13%
State Troopers		12.85%	-1.02%	1.00%	12.83%
School Division	17.18%	10.15%	-1.02%	1.00%	10.13%
Local Government	11.95%	10.00%	-1.02%	1.00%	9.98%
Judicial Division	17.66%	13.66%	-1.02%	1.00%	13.64%
Health Care	1.10%	-	1.02%	-	1.02%

Based on the annual required employer contribution analysis of 18.45 percent provided in the December 31, 2007, CAFR, staff estimates that the Legislature will need to appropriate \$111.3 million (including \$64.0 million General Fund more in annual personal services appropriations to cover an employer rate of 18.45 percent.

<b>Staff Estimate of State Division Contributions to PERA to Address Unfunded Liability</b>			
	Current Contribution Rate - 10.15%	Rate to Amortize Over 30 Years - CY 2007 - 18.45%	Increase / (Decrease)
General Fund	78,269,765	142,273,612	64,003,847
Other Funds (CF,RF,FF)	<u>57,825,803</u>	<u>105,111,928</u>	<u>47,286,125</u>
<b>TOTAL</b>	<b>136,095,568</b>	<b>247,385,540</b>	<b>111,289,972</b>

\* Staff estimate is based on PERA employer contribution estimates provided by departments on January 1, 2008.

### **PERA Market Valuation as of December 12, 2008**

The market valuation of the entire PERA portfolio was \$41.4 billion as per the December 31, 2007, CAFR. PERA provided staff with current (as of December 12, 2008) unaudited investment portfolio market valuation. The valuation of the entire PERA portfolio as of December 12, 2008, is estimated to be \$30.1 billion. This represents a \$11.3 billion drop in the PERA portfolio market valuation, or a 27.2 percent drop. The PERA actuary had stated in the December 31, 2007, CAFR that the funded ratio on Market Value of Assets stands at 78 percent. Using the same assumptions as contained in the December 31, 2007, CAFR, staff estimates that the funded ratio on Market Value of Assets stands at 56.8 percent.

<b>Market Valuation of PERA Investment Portfolio*</b>							
Investment Type	Market Value Per Investment Portfolio December 31, 07*	Target	Actual Percent of Total Market Value	Market Value Per Investment Portfolio December 12, 08*	Target	Actual Percent of Total Market Value	Variance
Domestic Equity	\$17,894,976	45.0%	43.3%	\$10,931,745	43.0%	36.3%	-6.7%
Fixed Income	\$9,903,354	25.0%	23.9%	\$7,709,440	25.0%	25.6%	0.6%
International Equity	\$6,501,567	15.0%	15.7%	\$3,764,375	15.0%	12.5%	-2.5%
Alternative	\$3,204,459	7.0%	7.7%	\$3,162,075	7.0%	10.5%	3.5%
Real Estate	\$3,120,362	7.0%	7.5%	\$3,222,305	7.0%	10.7%	3.7%
Timber	\$462,255	1.0%	1.1%	\$451,725	3.0%	1.5%	-1.5%
Cash & Short-term	\$286,431	0.0%	0.7%	\$873,335	0.0%	2.9%	2.9%
Total	\$41,373,404	100.0%	100.0%	\$30,115,000	100.0%	100.0%	

\* In thousands of dollars. Does not include voluntary investment program.

### **PERA Response**

Staff inquired with PERA if the PERA Board had any immediate plans of action, including those within the Board's authority as well as any legislative changes that PERA may want to pursue during the 2009 legislative session in order to address the funding ratio issues. PERA's response was that

any immediate action may be premature given the fact that what has happened in the past several months is unprecedented and it is unclear at this point what lies ahead and for how long.

PERA believes that it needs to undertake several studies during 2009 in order to be able to assess the impact of what has happened on PERA's portfolio, as well as use the most recent data and actuarial projections in estimating what policy changes may be most appropriate for PERA's actuarial soundness.

Below is a list of various studies that PERA will be performing in 2009:

**-Annual Actuarial Valuation for 2008** – performed annually by PERA actuaries to calculate the actuarial experience of the fund. The end result will be a calculation of the present value of liabilities and Annually Required Contribution rate based on the GASB standard as well as other items. This is expected to be accomplished in late May to early July time frame.

**-Actuarial Audit** – performed by an independent actuary hired by the Board to review the actuarial methods and assumptions used by PERA's retained actuary for reasonableness. This will be performed after the Actuarial Valuation is completed and will be finished before the end of 2009.

**-Actuarial Experience Study** – performed by PERA's retained actuary for the Board to review and measure the actuarial assumptions versus actual actuarial experience for the purpose of adjusting actuarial assumptions if necessary. This will be performed after the Actuarial Valuation is completed and will be finished before the end of 2009.

**-Asset/Liability Study** – a investment asset management consultant performs a sophisticated review of the asset allocation policy in relation to the projected future liabilities of the fund as calculated by the actuary to maximize future returns while attempting to minimize the risk in the portfolio. This study will perform other assessments of the investment program as well. This will be performed after the Actuarial Valuation is completed and will be finished before the end of 2009.

**-Actuarial Projections** – the actuary makes projections about the future funded status of the PERA divisions over a 30-year projection period based on the Annual Actuarial Valuation. This will be finished by July 2009.

**-Actuarial studies of benefit components** – PERA actuaries will perform calculations that estimate the actuarial costs of providing components of the benefit packages PERA currently provides. This is an ongoing exercise with estimates gaining more accuracy based on the Annual Actuarial Valuation.

In addition to the need for detailed actuarial studies before making any significant adjustments, PERA referenced an Attorney General opinion from November 18, 2004, related to potential limitations that exist upon the Legislature's ability to reduce the capacity of current employees to earn additional

retirement benefits or to increase the percentage of current employees' wages contributed to PERA.

The AG opinion concludes that the rate and amount of retirement benefits may qualify as a partially vested pension right protected by the contract clause of the constitution. According to the AG, an adverse change to a partially vested pension right is lawful only if it is balanced by a corresponding change of a beneficial nature, a change that is actuarially necessary, or a change that strengthens or improves the pension plan. The AG further concluded that, once a PERA member fulfills all the statutory requirements for a pension benefit, retires and begins receiving a pension, the member's fully vested pension right cannot be reduced by the General Assembly. Finally, the AG stated that the percentage of wages that employees contribute to PERA may qualify as a contractual right protected by the constitution, but that this legal conclusion is not certain.

### **Update on PERA Mergers with Other Retirement Systems**

#### **- State of Colorado Public Officials' and Employees' Defined Contribution Plan and 457 Deferred Compensation Plan.**

The State Auditor performed a review in October, 2008, of the State Defined Contribution Plan and 457 Deferred Compensation Plan and recommended two options for restructuring the State's primary and supplemental retirement plans that could result in lower participant fees and improve the efficiency of plan management. The first option is to evaluate whether to offer only one defined contribution plan to state employees in order to reduce fees. The second option is to evaluate whether it is more efficient and less costly to combine the management of all of the State's primary and supplemental retirement plans under one entity. The report concluded that PERA may be in a better position to manage all of the plans than the Department of Personnel because of its investment expertise and the resources that it can dedicate to this function.

The State DC Plan was originally created in 1999 to provide retirement benefits to public officials and elected employees. Effective January 1, 2006, participation in the Plan was opened to all state employees, except those within the higher education system. The audit reported that as of June 30, 2008, the State DC Plan had almost 1,900 participants and net assets of \$14.7 million. The State 457 Plan was created in 1981 and participation in the Plan is open to all state employees and employees of any city and county, city, county, town, or other political subdivision of the State. The audit reported that as of June 30, 2008, the State 457 Plan had about 17,300 participants and net assets of \$377.6 million. The report further states that although the State Deferred Compensation Committee and the Department of Personnel manage both Plans, they contract with three investment providers to administer the State DC Plan and a third-party administrator to administer the State 457 Plan.

The State Deferred Compensation Committee states that one of their main issues is whether PERA will allow new enrollees to retain the option for immediate vesting. The Committee further states that if a consolidation proves advantageous for participants, the Committee will work with PERA to develop appropriate legislation.

The Department of Personnel fully supports streamlining the State's primary and supplemental retirement plans under the administration of PERA in order to reduce duplication and inefficiencies. The Department believes that it is unable to provide adequate administration and day-to-day plan oversight for the plans. The Department believes that the General Assembly should consider legislation in the 2009 session to transfer responsibility for these plans to PERA. The Department states that if administration of the plans remains within the Department, the Department will need to pursue additional staffing.

PERA has indicated that the PERA Board is supportive of merging the management of the State plans under PERA if the appropriate statutory changes are made. PERA has indicated that it is confident it can reduce redundancies and costs and increase efficiencies and the return on contributions for state employees.

**- H.B. 08-1403 Concerning the Merger of Denver Public Schools Retirement System With PERA.**

H.B. 08-1403 updated the statutory framework for allowing Denver Public Schools Retirement System (DPSRS) to be merged with PERA on January 1, 2009, or a later date. Statute allowed for either party to terminate the merger if a "material adverse change" occurs to the detriment of either party. The fiscal note for H.B. 08-1403 assumed that PERA will not approve the merger if it is found to be detrimental to the actuarial soundness of the PERA plans or PERA's cost to administer those plans.

PERA indicated that it will not proceed with the merger given the current financial conditions and the resulting devaluation of both PERA's and DPSRS' market valuations. As a result, PERA and DPSRS engaged in non-binding arbitration, the actuary reported that a standalone approach should be considered, based on its simplicity and its effectiveness in preventing subsidy. Creating a standalone division within PERA will require legislation to change the current framework laid out in H.B. 08-1403.



**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: Funding Supplemental Amortization Equalization Disbursement**

In the 2006 session, the General Assembly passed S.B. 06-235 (Sandoval / Marshal) which, made changes to public employees' retirement benefit plans. Among other changes, the bill provides a Supplemental Amortization Equalization Disbursement (SAED) of 0.5 percent of total payroll beginning January 1, 2008, and increasing 0.5 percent per year for a total of 3 percent by 2013. The SAED is to be funded from money otherwise available for use but not yet awarded as salary increases. Statute is silent as to the funding mechanism for SAED in a year when the Legislature does not fund any employee salary increases.

**SUMMARY:**

- In the event that the Legislature chooses not to fund salary increases for FY 2009-10, statute is silent on other funding mechanisms for the incremental SAED increase.
  
- Staff estimates that the SAED incremental funding need for FY 2009-10 will be approximately \$3.4 million (including \$2.0 million General Fund).

**DISCUSSION:**

Section 24-51-411 (3.2), C.R.S., states:

"For the calendar year beginning January 1, 2008, the supplemental amortization equalization disbursement shall be one-half of one percent of the employer's total payroll. The supplemental amortization equalization disbursement shall increase by one-half of one percent of total payroll on January 1 of each year following 2008 through 2013."

Section 24-51-411 (3.7), C.R.S., states:

"For state employers in the state division, for the 2007-08 state fiscal year and for each fiscal year through the 2012-13 state fiscal year, from the amount of changes to state employees' salaries and any adjustments to the annual general appropriation act pursuant to section 24-50-104, an amount equal to one-half of one percent of total salary shall be deducted and such amount shall be utilized by the employer to fund the supplemental amortization equalization disbursement."

<b>Supplemental Amortization Equalization Disbursement (SAED) Schedule</b>			
	State Rate	Supplemental Amortization Equalization Disbursement	Aggregate Contribution - State Division
January 1, 2007	10.15%	-	10.15%
January 1, 2008	-	0.50%	10.65%
January 1, 2009	-	1.00%	11.15%
January 1, 2010	-	1.50%	11.65%
January 1, 2011	-	2.00%	12.15%
January 1, 2012	-	2.50%	12.65%
January 1, 2013	-	3.00%	13.15%

In light of the revenue shortfall projected by Legislative Council Staff on December 19, 2008, the Legislature may choose not to fund salary increases for FY 2009-10. The SAED funding mechanism is dependent on salary increases. Staff is uncertain as to the Legislative intent when it comes to funding the incremental SAED increase in a potential year with no funding for salary increases.

The FY 2008-09 appropriation for SAED was \$11.0 million (including \$6.2 million General Fund). Staff estimates that of this amount, approximately \$3.4 million (including \$2.0 million General Fund) was the incremental 0.50 percent increase to SAED rates (for six months) that will occur on January 1, 2009.

In the event that the Legislature chooses not to fund salary increases for FY 2009-10, staff recommends that the Committee consider several options for funding the incremental SAED increase for FY 2009-10 including:

- Funding a 0.25 percent salary increase for employees funded through cash and federal funds and a 0.21 percent increase for employees funded through the General Fund (in order to account for the pay-date shift);
- Not provide shift-differential funding in order to fund SAED;
- Fund SAED through any vacancies held in FY 2009-10 or through furloughs;
- Amend statute to provide funding for SAED in years in which there are no salary increases through a different mechanism other than employees' salary increases.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: FY 2009-10 Statewide Total Compensation Request**

The August 1, 2008, Department of Personnel Director letter to the Governor and Joint Budget Committee contains recommendations for salary survey, performance-based pay, and state contributions for health, life, and dental insurance (HLD) totaling \$102.1 million.

**SUMMARY:**

- Based on the Governor's November 1 budget submission, Departments are requesting a total \$43.7 million for salary survey (including \$26.3 million General Fund), \$0.0 for Performance-based Pay increases, and \$145.7 million (including \$87.9 million General Fund) for state contributions to group benefit plan premiums.
- The FY 2009-10 request for state contributions to benefit plan premiums leaves the state contribution at 90 percent of the prevailing market contribution for health insurance, the same amount as in FY 2008-09.
- The August 1 Personnel Director recommendation letter requested funding for special recognition programs to be applied throughout the year for employee contributions. The Director did not provide additional detail about the funding or implementation of the special recognition program.

**RECOMMENDATION:**

Staff recommends that the Committee discuss the following issues at the Department's hearing:

1. Does the Department anticipate submitting an update to the August 1 total compensation recommendation? Why or why not?
2. Does the Department feel that the November 1 budget request is out of balance because of the fact that agencies were not required to calculate the request in detail, nor were they required to calculate the requested FY 2009-10 funding splits (the request is built using FY 2008-09 funding splits)?
3. Does the Department anticipate using a different calculation methodology for any update to the November 1 Total Compensation Request? Provide explanation of any new calculation methodology.

4. The August 1 Director recommendation letter requested funding for special recognition programs to be applied throughout the year for employee contributions. How much does this program cost? What was the Department's reason for including it as part of the request? Provide description and implementation material for the program. Was it built within the salary survey or the performance-pay request?

**DISCUSSION:**

**Salary Survey and Performance-Based Pay**

On August 1, 2008, the Personnel Director submitted the salary survey and performance-based pay recommendation for FY 2009-10. The statewide average recommendation included 3.53 percent for salary survey and 1.4 percent for performance-based pay that will provide a 1 percent base-building award to successful and exceptional performers and 2 percent non-base lump sum payment.

In addition, the August 1 letter recommended that a part of the total salary budget include funding for special recognition programs to be applied throughout the year for employee contributions. The Director did not provide additional detail about the funding or implementation of the special recognition program.

The table below presents the salary survey increase recommendations as they appear in the Personnel Director's August 1 recommendation.

<b>Occupational Group</b>	<b>Increase After Subtracting PERA SAED</b>	<b>Base Achievement Pay</b>	<b>Total Base Pay Adjustment</b>
Enforcement and Protective Services	3.14%	1.00%	4.17%
Troopers	-	-	6.91%
Health Care Services	2.95%	1.00%	3.98%
Labor, Trades, & Crafts	2.76%	1.00%	3.79%
Administrative Support & Related	2.60%	1.00%	3.63%
Professional Services & Teachers	2.05%	1.00%	3.07%
Physical Sciences & Engineering	2.26%	1.00%	3.28%
<b>Statewide Average</b>	<b>2.50%</b>		<b>3.53%</b>
<b>Lump-sum Achievement Payment for "Exceptional" Performers</b>		<b>2.00%</b>	
<b>Special Recognition Programs</b>		<b>Not specified</b>	

The table below shows the salary survey requests contained in ALL departments November 1 budget requests (this information is summarized from DPA/OSPB provided documents).

<b>FY 2010 Salary Survey Requests at 3.53 Percent Statewide Average of Payroll</b>					
	General Fund	Cash Funds	RF	Federal Funds	Total
FY 2008-09 Appropriation	30,738,596	13,876,597	5,041,729	4,747,069	54,403,991
FY 2009-10 Request	<u>26,324,286</u>	<u>9,711,109</u>	<u>3,994,432</u>	<u>3,653,036</u>	<u>43,682,863</u>
<b>Difference</b>	<b>(4,414,310)</b>	<b>(4,165,488)</b>	<b>(1,047,297)</b>	<b>(1,094,033)</b>	<b>(10,721,128)</b>
Percent Change	-14.4%	-30.0%	-20.8%	-23.0%	-19.7%

The table below shows the performance-based pay calculations based on the Director's August 1 recommendation. Staff notes that Departments did not request performance-based pay for FY 2009-10 per OSPB instructions.

<b>FY 2010 Performance-based Pay Personnel Director's Recommendation at 1.4 Percent of Payroll</b>					
	General Fund	Cash Funds	RF	Federal Funds	Total
FY 2008-09 Appropriation	12,123,270	4,843,188	2,093,790	1,892,207	20,952,455
FY 2009-10 August 1 Director Recommendation	21,921,038	8,078,215	3,591,014	3,173,417	36,763,684
FY 2009-10 Request	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Difference</b>	<b>(12,123,270)</b>	<b>(4,843,188)</b>	<b>(2,093,790)</b>	<b>(1,892,207)</b>	<b>(20,952,455)</b>
Percent Change	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%

### **Health, Life, Dental (HLD)**

The August 1, 2008, Personnel Director recommendation is for a state HLD contribution at 90 percent of the prevailing market contribution for health insurance, 85 percent of the prevailing market contribution for dental insurance, and 100 percent of the life insurance policy. These recommendations maintain the same employer contribution percentage as was appropriated in FY 2008-09.

<b>FY 2010 Statewide HLD Requests</b>					
	General Fund	Cash Funds	RF	Federal Funds	Total
FY 2008-09 Appropriation	87,038,714	29,730,533	13,871,341	12,854,117	143,494,705

FY 2010 Statewide HLD Requests					
	General Fund	Cash Funds	RF	Federal Funds	Total
FY 2009-10 Request	<u>87,940,152</u>	<u>29,841,962</u>	<u>14,714,813</u>	<u>13,152,110</u>	<u>145,649,037</u>
<b>Difference</b>	<b>901,438</b>	<b>111,429</b>	<b>843,472</b>	<b>297,993</b>	<b>2,154,332</b>
Percent Change	1.0%	0.4%	6.1%	2.3%	1.5%

Total HLD Employer Contribution Recommendation by Enrollment Tier			
	State FY 08-09 Contribution	Market for FY 09-10	Director's Recommendation at 90 percent for Health
Employee	\$370.78	\$440.01	\$389.36
Employee + Spouse	\$606.88	\$759.05	\$647.42
Employee + Child(ren)	\$545.34	\$697.72	\$684.28
Family	\$839.32	\$995.45	\$942.34

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: FTE Vacancies, Turnover Rates and Personal Services Base Reduction**

For FY 2009-10 the OSPB instructed Departments not to request a personal services base reduction, which is a rate used to capture turnover savings in departments' personal services lines. This policy decision is estimated to cost the state \$12.0 million (including \$7.0 million General Fund).

**SUMMARY:**

- For the FY 2009-10 budget request there is no calculated turnover personal services savings rate. This change will cost the state an estimate \$12.0 million (including \$7.0 million General Fund).
- The seven-year average turnover rate within the state is 12.6 percent. Retirements account for an average of 2.9 percent of turnover.

**RECOMMENDATION:**

Staff recommends that the Committee discuss and request the department provide responses to the following issues at the department's hearing:

1. The OSPB has acknowledged that there is excess and reversions in areas of the budgets. Share with the Committee in what areas of your department's budget you have experienced excess and reversions for FY 2002 through FY 2008.
2. The Department compiles the aggregate statistics for the statewide workforce demographics report. Included in this report are statistics about turnover rates and retirement rates. Provide the committee the detailed information behind these statewide statistics, in particular, provide a breakdown of the FY 2007-08 report turnover rates by department and division.
3. What is the Department's personal services turnover vacancy for FY 2002 through 2008 (provide percentage as well as associated dollar amount)? How much of the turnover is as a result of retirement?
4. Does the Department intend to provide the JBC with a FTE vacancy report as requested by the Legislature in April? By when does the Department anticipate submitting such a report?
5. Discuss how the Department can provide better information regarding the reconciliation of personal services lines funding with FTE funding.

## **DISCUSSION:**

### **Background**

In February 2007, the Joint Budget Committee met with representatives from the OSPB and the Department of Personnel and Administration. The topics of discussion included personal services vacancies, how to better report the use of dollars associated with vacancies, and the Joint Budget Committee's policy for a 0.5 percent personal services base reduction for FY 2007-08. The goal was to come up with better reporting methods for personal services vacancies, the use of dollars associated with vacancies, and possibly a better way to estimate the personal services base reduction amount.

At that meeting, the Committee was assured that departments can come up with a better way to capture personal services savings accumulated through employee turnover.

For FY 2008-09, the Legislature sent a request for information to the OSPB and DPA requesting that they work with departments to provide an improved vacancy savings report similar to the one provided in FY 2007-08 (**Attachment A**) containing FY 2006-07 vacancies. However, for FY 2008-09, the legislative request for information requested that in addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services.

### **OSPB Response**

The November 1 agency requests did not have a calculated personal services reduction for turnover vacancy savings. The OSPB did not provide a decision item analyzing the reasons for the requested increase in funding. JBC staff estimate that the FY 2008-09 personal services turnover vacancy savings rate of 1 percent (calculated on line items with 20 or more FTE) saved approximately \$12.0 million (including \$7.0 million General Fund).

At staff's request, the OSPB sent staff an email response with the reasons no vacancy savings rate was calculated. Below are the highlights of that email:

"For the FY 2008-09 Budget Cycle, OSPB instructed the departments to look within their departments and propose a vacancy savings rate that would make more sense to their department, rather than a straight across the board reduction that has traditionally been done. As you know, the Department of Public Safety [0.4 percent] and the Department of Corrections [0.5 percent] were the only ones to do so. The other departments said they were unable to reduce their budgets. Going into FY 2009-10, OSPB discussed with the departments what to do about vacancy savings. We believe that there is a misnomer about the vacancy savings reduction.

First, the departments have received an across-the-board reduction to their personal services for this arbitrary reason for many years. Over time, these reductions have eroded the base personal services, by reducing then compounding the reduction, so that departments are no



longer able to maintain the FTE that they need to run their programs. Continuing to arbitrarily reduce their personal services is no longer seen as an efficient way to manage the budget.

Secondly, when departments are appropriated FTE, they assume a start date. They are funded to that start date. Both OSPB and JBC put great pressure on departments to administer programs with as few FTE as possible. In addition, departments are required to hire at the minimum (except in very rare circumstances), a feat which they can rarely accomplish. If a position becomes vacant, often they must redirect resources, hire temporary assistance, or contract out work in order to ensure that statutory mandates are met. Departments require the resources to do their mandates, and arbitrary off-the-top reductions do not support the resources as appropriated.

This does not mean that there are not vacancy savings due to turnover in departments. However, departments have to still meet their expectations and need to be able to manage those resources. We believe that the kinds of staffing challenges that you see in the Department of Human Services, the Department of Health Care Policy and Financing, and the Department of Personnel have been exacerbated by the application of this across-the-board cut.

Lastly, we acknowledge that there is excess and reversions in some areas of the budgets. The budget should be transparent and departments should not, for example, routinely use excess POTS in one line to cover the cost of other lines. OSPB would rather critique the efficiencies of departments in specific areas and encourage departments to reduce waste and to return dollars when they are not necessary. OSPB would encourage the JBC to evaluate and address specific problems rather than supporting an across-the-board reduction.

In light of the hiring freeze and further operating budget reductions that are likely to be necessary, OSPB again would encourage that we look to reduce dollars where they are less needed and have the least impact on programs. OSPB believes this is much more efficient."

### **Analysis**

Staff agrees with OSPB that the amount of the personal services reduction is arbitrary, however, staff disagrees with the OSPB that the reasoning behind the reduction is arbitrary. In fact, it is based on data the Department of Personnel publishes in the annual workforce report. The turnover vacancy savings rate is also based on the FTE vacancy report that departments used to provide to the Committee.

### **State of Colorado Workforce Demographics Report FY 2007-08 Statistics**

#### 1. Age of workforce:

- 34.2 percent of the state workforce is between the ages of 45 and 55;
- 20.3 percent of the state workforce is between the ages of 55 and 65.

2. Percent of employees eligible to retire within 1-5 years:

- 27.0 percent eligible to retire within 1-5 years;
- 5.7 percent (1,906 employees) eligible for early retirement as of June 30, 2008;
- 5.9 percent (1,971 employees) eligible for full retirement as of June 30, 2008.

3. Turnover rates:

- Average total turnover rate for entire workforce for FY 2002 until FY 2008 is 12.6 percent;
- Average voluntary turnover rate for FY 2002 until FY 2008 is 7.5 percent;
- Average retirement turnover rate for FY 2002 until FY 2008 is 2.9 percent.

Staff notes that turnover savings are not identified only in the year that the separation occurs, but are carried forward in subsequent fiscal years. For example, the table below illustrates a FY 2007-08 employment distribution in a division within the department. This table can also be used to analyze what is happening on the state level, where employees retire every year at higher salary ranges and new employees are hired at a lower salary range. The General Professional VII is at the 95.0 percentile of their salary range with 38.9 years of service with the state (as of the summer of 2007).

Classification	Monthly Salary (\$)	Salary Range Min (\$)	Salary Range Max (\$)	Salary Range Mid (\$)	Salary Range (%)	Years with the State
Archivist II	\$4,573	\$3,222	\$4,643	\$3,933	95.1%	12.0
Archivist II	4,534	3,222	4,643	3,933	92.3%	21.1
Adm. Assistant III	3,759	2,791	3,916	3,354	86.0%	28.2
Gen. Professional VII	8,622	6,073	8,755	7,414	95.0%	38.6
Gen. Professional III	5,092	3,728	5,376	4,552	82.7%	17.1
Archivist I	2,884	2,857	4,122	3,490	2.1%	3.3
Gen. Professional III	4,676	3,728	5,376	4,552	57.5%	14.1
Archivist I	3,107	2,857	4,122	3,490	19.7%	8.0

**Report on Filled and Vacant FTE Positions  
Fiscal Year 2006-07**

Attachment A

Departments	FY 07 Total Hours Per CPPS	Total FTE @ 2080 hours/yr.	Reconciliation Adjustments		FY07 Actual	FY07 Appropriation	Difference Over/(Under)	Expenses Paid from Vacancy Savings			Net Vacancies
			Technical Adjustments	Non- Appropriated				State Temps	Sick/Annual Leave Payouts	Other Personal Services	
Agriculture	536,267.84	257.8			257.8	282.0	(24.2)	48.4	2.60		26.8
Corrections	11,826,911.00	5,686.0			5,686.0	6,098.0	(412.0)	2.1	37.00	88.00	(284.9)
Education and CSDB	1,003,007.00	482.2	(20.2)	(2.9)	459.1	466.0	(6.9)		4.00		(2.9)
Governor	334,066.38	160.6		(47.6)	113.0	138.0	(25.0)		2.10	5.30	(17.6)
HCPF	476,383.90	229.0		(1.2)	227.8	231.8	(4.0)	2.1	0.90	5.30	4.3
Higher Education											
Historical Society	239,272.60	115.0		(4.1)	110.9	126.9	(16.0)	0.1	0.50		(15.4)
CCHE	49,016.20	23.6			23.6	30.1	(6.5)	1.1	0.80		(4.6)
DPOS	11,853.00	5.7			5.7	7.8	(2.1)				(2.1)
Human Services	10,540,992.50	5,067.8	(11.2)	(624.6)	4,432.0	4,527.2	(95.2)	58.8	32.80	125.80	122.2
Judicial	5,869,136.00	2,821.7			2,824.7	2,995.6	(170.9)		27.20		(143.7)
PDO	867,166.00	416.9			416.9	426.0	(9.1)		85.00		75.9
ADC	10,168.00	4.9			4.9	5.0	(0.1)		0.20	0.20	0.3
OCR	54,706.00	26.3			26.3	4.0	22.3		0.80		23.1
Labor and Employment	2,113,904.00	1,016.3			1,016.3	1,097.0	(80.7)	45.0	5.00	13.00	(17.7)
Law	714,247.00	343.4			343.4	360.0	(16.6)	4.0	1.40	8.30	(2.9)
Local Affairs	367,566.00	176.7	4.5		181.2	192.8	(11.6)	2.5	0.70	8.10	(0.3)
Military and Veterans Affairs	298,818.40	143.7		(6.4)	137.3	141.8	(4.5)	3.2	1.00		(0.3)
Natural Resources	2,911,788.00	1,399.9		(11.0)	1,388.9	1,467.0	(78.1)	14.0	13.00	39.00	(12.1)
Personnel	1,076,683.62	517.6	0.5		518.1	541.3	(23.2)	6.8	3.20	58.40	45.2
Public Health	2,222,913.00	1,068.7	1.0	(7.0)	1,062.7	1,150.0	(87.3)	5.0	1.00	23.00	(58.3)
Public Safety	2,622,173.00	1,260.7	(10.5)	0.7	1,250.9	1,285.8	(34.9)	4.4	5.90	26.40	1.8
Regulatory Agencies	1,022,358.00	491.5			491.5	536.7	(45.2)	18.0	7.10	6.20	(13.9)
Revenue	2,800,060.20	1,346.2	(1.6)		1,344.6	1,423.0	(78.4)	29.7	9.90	10.10	(28.7)
State	221,516.00	106.5			106.5	126.5	(20.0)		0.57		(19.4)
CDOT, Administration (appropriated on	433,056.00	208.2			208.2	219.7	(11.5)	3.4	1.40		(6.7)
Treasury	49,042.00	23.6			23.6	26.0	(2.4)	0.5	0.24	0.79	(0.9)
<b>Department Total</b>	<b>48,673,071.64</b>	<b>23,400.5</b>	<b>(37.5)</b>	<b>(701.1)</b>	<b>22,661.9</b>	<b>23,906.0</b>	<b>(1,244.1)</b>	<b>249.1</b>	<b>244.3</b>	<b>417.9</b>	<b>(332.8)</b>
					<i>Percentage of Appropriation</i>		-5.2%	1.0%	1.0%	1.7%	-1.4%

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: FY 2008-09 Hiring Freeze and Budget Balancing**

On December 19, 2008, the Legislative Council Staff revenue forecast showed that General Fund appropriations are projected to be approximately \$631 million above projected revenues for FY 2008-09.

**SUMMARY:**

- ❑ For FY 2008-09, there is approximately \$1.7 billion (including \$1.0 billion General Fund) in base personal services salaries and personal services related appropriations. In the event of a declaration of a fiscal emergency, the Governor and department directors can take actions to reduce state personnel expenditures in order to preserve the operation of state government and the health, safety, or welfare of the citizens of the state.

**RECOMMENDATION:**

Staff recommends that the Committee discuss the following issues at the department's hearing:

1. Provide and discuss the statewide hiring freeze report. What is the current amount of savings associated with the hiring freeze?
2. Provide the Governor's and state personnel director plan for balancing the budget in FY 2008-09. What particular cuts are you proposing in order to save approximately \$631 million General Fund?

**DISCUSSION:**

On December 19, 2008, the Legislative Council Staff revenue forecast showed that General Fund appropriations are projected to be approximately \$631 million (based on JBC staff General Fund Overview Analysis) above projected revenues for FY 2008-09.

Section 24-50-109.5, C.R.S., defines a fiscal emergency and delineates the course of action that the governor shall take:

- (1) As used in this section, "fiscal emergency" means any crisis concerning the fiscal condition of state government which is caused by a significant general fund revenue shortfall or significant reductions in cash or federal funds received by the state, which threatens the orderly operation of state government and the health, safety, or welfare of the citizens of the state, and which is declared a fiscal emergency by joint resolution adopted

by the general assembly and approved by the governor in accordance with section 39 of article V of the state constitution.

(2) With the advice and assistance of the state personnel director, the governor shall take such actions as necessary to be utilized by each principal department and each institution of higher education to reduce state personnel expenditures in the event of a fiscal emergency. Such actions shall include, but need not be limited to, separations, voluntary furloughs, mandatory furloughs, suspension of increases in salary and state contributions for group benefit plans, suspension of performance awards, job-sharing, hiring freezes, forced reallocation of vacant positions, or a combination thereof. Any suspension of salary increases, increases in state contributions for group benefit plans, or performance awards shall apply statewide to all employees in the state personnel system. If mandatory furloughs are utilized in any principal department or institution of higher education, such furloughs shall be implemented by each appointing authority so that all employees under such authority, regardless of status, position, or level of employment, are furloughed for the same length of time, consistent with section 24-2-103 (2). Employees of the following agencies and employees with duties as described shall not be subject to mandatory furlough: The Colorado state patrol, correctional officers, police officers, employees of the department of human services providing hands-on care, and employees providing hands-on nursing care.

(3) Promptly after the adoption of a joint resolution declaring a fiscal emergency, the head of each principal department and the governing board of each institution of higher education shall order into effect, on an emergency basis and in accordance with the actions taken by the governor pursuant to subsection (2) of this section, those measures they find necessary and appropriate to reduce the personnel expenditures of their departments or institutions to enable them to operate within available revenues. No such order shall have an effect beyond the time period specified in the joint resolution declaring the fiscal emergency.

The table below shows available funding that may be used to balance the FY 2008-09 statewide appropriations in the event that a fiscal emergency is declared.

<b>Personal Services Related FY 2008-09 Funding</b>					
	General Fund	Cash Funds	CFE/RF*	Federal Funds	Total
January 2008 Base Salaries (including PERA and Medicare)	858,109,786	159,411,147	303,916,130	160,383,049	1,481,820,112
FY 2009 HLD Appropriation	87,038,714	29,730,533	13,870,341	12,854,117	143,493,705
FY 2009 Salary Survey Appropriation	30,738,596	13,876,597	5,041,729	4,747,069	54,403,991
FY 2009 Performance Pay Appropriation	12,123,270	4,843,188	2,093,790	1,892,207	20,952,455
FY 2009 AED Appropriation	13,378,532	5,175,402	2,587,534	2,470,767	23,612,235

<b>Personal Services Related FY 2008-09 Funding</b>					
	<b>General Fund</b>	<b>Cash Funds</b>	<b>CFE/RF*</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2009 SAED Appropriation	6,227,691	2,423,030	1,201,368	1,150,374	11,002,463
FY 2009 Shift Differential Appropriation	9,200,036	454,779	1,426,545	56,927	11,138,287
FY 2009 Short-term Disability Appropriation	<u>1,084,045</u>	<u>421,331</u>	<u>193,507</u>	<u>202,902</u>	<u>1,901,785</u>
<b>Total</b>	<b>1,017,900,670</b>	<b>216,336,007</b>	<b>330,330,944</b>	<b>183,757,412</b>	<b>1,748,325,033</b>

\* The January 2008 Base Salaries information is in the cash funds exempt funding format.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**BRIEFING ISSUE**

**ISSUE: Continuous Spending Authority for Certain DPA Funds.**

The Department request that the Joint Budget Committee consider sponsoring legislation to allow continuous spending authority for the Worker's Compensation Account, the Central Services Revolving Fund, and the Motor Fleet Management Fund.

**SUMMARY:**

- The Department has experienced difficulty staying within its appropriation authority for certain programs.
- The Department proposes continuous spending authority for the particular problem funds.

**RECOMMENDATION:**

Staff recommends that the Committee discuss the following issues at the department's hearing:

1. Justify the need for continuous spending authority.
2. Can the Department provide historical fund balance and appropriations spending authority for the three funds in order to determine if an adjustment of spending authority will be sufficient to cover the concerns the Department has about overexpending its appropriations?

**DISCUSSION:**

This has been an ongoing request submitted by the Department for continuous spending authority for several of its funds. For FY 2009-10, the Department requests that the Committee as a whole, or individual members, consider sponsoring legislation to allow continuous spending authority for three DPA funds.

**1. Workers' Compensation Account** (Section 24-30-1510.7, C.R.S.) - The Department states that it would prefer that the Workers' Compensation Account, which resides within the Risk Management Fund, be continuously appropriated for the payment of workers' compensation liability claims. The Risk Management Fund is currently continuously appropriated for the purpose of paying liability and property claims brought against the state. The Department states that it is critical that claims are paid promptly once the claims have been processed, approved and confirmed for payment. According to the Department, the problem arises when there are large and unexpected claims which end up being approved at the end of the fiscal year and the initial appropriation is not sufficient to cover the

payments. Continuous spending authority would allow the Department to process and pay such claims without having to submit a 1331 supplemental. The Department recommends providing a mid-year true up report including any substantive variance from the anticipated spending set during figure setting. The Department further recommends notifying the Committee whenever additional spending authority is invoked throughout the year.

### **Staff analysis - Workers' Compensation Account**

The account has been the source of numerous discussions between staff, the Department and the Committee. Currently, the Worker's Compensation Account has a 5.0 percent reserve balance(\$1,428,849 for FY 2008-09) calculation based on the estimated prospective loss for the year, not including other program expenditures. For the past four years, the Department has requested an increase to the reserve funding from between 10 and 16.5 percent. The Committee has denied these requests in the past.

Staff's main concern is that unless the reserve is increased as well, continuous spending authority will not help the Department resolve a situation in which at the end of the year, the Department has \$1.4 million in reserves but \$2.5 million in processed and approved claims. Given the fact that agencies get a line item appropriation for Workers' Compensation claims, the Department will not be able to raise the funding to pay these claims unless it requests an increase to agencies' individual appropriations. Staff recommends that the Department perform an analysis of the fund balance trend for the past ten years and try to come up with a reserve amount that will be adequate based on the historical fund balance analysis. Then the Department can determine if continuous spending authority is necessary, or if an increase in the fund balance reserve can resolve the appropriation restriction problems.

Staff estimates that the General Fund participation for the Workers' Compensation fund is approximately 39 percent. If the Committee decides to raise the percentage for the fund balance from 5 percent to 10 percent, the General Fund impact will be approximately \$557 thousand.

**2. Central Services Revolving Fund** (Section 24-30-1108, C.R.S.) - This fund encompasses the Central Services fund which collects charges for centralized mail processing, messenger, copying, printing, graphic design, and data entry services provide by the Department to state agencies. The Central Services Fund also houses the Capitol Complex Facilities fund which collects charges from agencies for leased space occupied in the Capitol Complex and auxiliary locations. The Department is experiencing problems with the spending authority related to the former. Most recently, the Department submitted a 1331 supplemental for FY 2008-09 on December 19, 2008, for the Integrated Document Factory, Document Solutions Group within Central Services for \$337,772 (\$43,336 cash funds and \$294,436 reappropriated funds) spending authority in order for the group to undertake additional work which was not budgeted for. The work involves several projects: (a) Secretary of State assistance in verifying petitions for \$57,733; (b) CBI sex offender records file scanning for \$67,206; (c) Governor's Energy Office project to capture data by, manual input, from utility invoices for electricity, gas, and water for \$45,000; (d) Jefferson County CBMS input for \$23,766; (e) Pueblo County CBMS input for \$19,570; (f) DHS discharge and medical files scanning



and indexing for \$37,254; (g) DHS adoption files conversion of microfil to digital images for \$14,694; (h) Revenue tax processing for \$44,506; (i) lastly, the department requests an increase to allow for a temporary staffing rate increase from an average rate of \$12.5 to \$13.0 per hour.

The Department has stated in its request that if the request is not approved, the Department will turn down these projects, as a result they will not be completed or will be completed at a higher cost. The Department states that if continuous spending authority is granted, the department will provide a mid-year true up report including any substantive variance from the anticipated spending set during figure setting. The Department further recommends notifying the Committee whenever additional spending authority is invoked throughout the year.

### **Staff analysis - Central Services Revolving Fund**

Staff does not believe that the Capitol Complex Facilities fund needs continuous spending authority. All aspects of the capitol complex program are budgeted for during figure setting.

Regarding the Central Services fund, staff understands that the Department cannot anticipate every single job that may come to the Department, however, the Department has not addressed staff's request for a contingency funding analysis. Staff feels that if such an analysis may provide an appropriate contingency fund calculation for Central Services, then continuous statutory spending authority may not be needed.

**3. Motor Fleet Management Fund** (Section 24-30-1115, C.R.S.) - The Department states that ever changing fuel prices is impossible to accurately forecast and budget. The Department also states that agencies determine how much they need to drive in a given year. DPA states that it does not believe that it has authority to limit department miles driven.

An example of the dilemma the Department faces is the Decision Item 1 from the Department's November 1 budget request. In the decision item, the Department requests estimating fuel costs for FY 2009-10 at a \$3.83 per gallon, at 4,875,000 estimated gallons, the Department requested \$18,671,250 for fuel costs. Recently, the department updated its analysis based on \$2.02 per gallon bringing down its estimated fuel costs to \$12,098,877. The Department has informed staff that it plans to withdraw its decision item 1 in light of the significant decrease in fuel costs. However, the Department claims that it still faces the vagaries of fuel prices and estimated annual miles driven by the state fleet. The Department points out that a 0.25 cent change in fuel prices at the pump drive a \$1.2 million difference in spending authority need.

The Department states that if continuous spending authority is granted, the department will provide a mid-year true up report including any substantive variance from the anticipated spending set during figure setting. The Department further recommends notifying the Committee whenever additional spending authority is invoked throughout the year.

### **Staff analysis -Motor Fleet Management Fund**

Similar to the other funds, staff recommends that the Department perform a fund balance analysis as well as an appropriations spending authority analysis to determine if a historical spending authority increase to allow for a \$0.50 cent fluctuation in fuel prices at the pump (barring financial crises and recessions) could be sufficient to allow the flexibility the Department requests.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
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**DEPARTMENT OF PERSONNEL AND ADMINISTRATION**  
**Executive Director: Rich Gonzales**

**(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, investigates and resolves appeals made to the Personnel Director regarding agency actions, and promotes statewide affirmative action and equal opportunity programs. The primary source of cash funds and reappropriated funds are from indirect cost recoveries from other divisions throughout the Department and from user fees from other state agencies.

**(A) Departmental Administration**

DI-13

Personal Services	1,601,478	1,648,595	1,707,188	1,819,883
FTE	<u>18.5</u>	<u>18.6</u>	<u>21.5</u>	<u>21.5</u>
Cash Funds Exempts / Reappropriated Funds	1,601,478	1,648,595	1,707,188	1,819,883
Health, Life, and Dental	<u>1,665,725</u>	<u>1,943,979</u>	<u>1,847,890</u>	<u>2,124,061</u>
General Fund	479,246	427,606	646,399	617,961
Cash Funds	9,096	61,693	0	0
Cash Funds Exempts / Reappropriated Funds	1,177,383	1,454,680	1,201,491	1,506,100
Short-term Disability	<u>31,206</u>	<u>0</u>	<u>28,704</u>	<u>29,360</u>
General Fund	6,043	0	3,661	10,903
Cash Funds	965	0	0	0
Cash Funds Exempts / Reappropriated Funds	24,198	0	25,043	18,457
S.B. 04-257 Amortization Equalization Disbursement	<u>149,831</u>	<u>364,549</u>	<u>352,343</u>	<u>451,690</u>
General Fund	42,825	38,403	44,125	167,732
Cash Funds	9,368	15,338	0	0
Cash Funds Exempts / Reappropriated Funds	97,638	310,808	308,218	283,958
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>74,805</u>	<u>164,427</u>	<u>282,307</u>
General Fund	0	6,857	19,950	105,109
Cash Funds	0	3,195	0	0
Cash Funds Exempts / Reappropriated Funds	0	64,753	144,477	177,198
Salary Survey and Senior Executive Service	<u>848,161</u>	<u>1,013,181</u>	<u>831,885</u>	<u>547,015</u>
General Fund	284,213	351,590	389,908	190,146
Cash Funds	4,537	26,547	0	0

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Cash Funds Exempts / Reappropriated Funds	559,411	635,044	441,977	356,869	
Performance-based Pay	<u>0</u>	<u>452,091</u>	<u>325,410</u>	<u>0</u>	
General Fund	0	147,658	141,466	0	
Cash Funds	0	12,621	0	0	
Cash Funds Exempts / Reappropriated Funds	0	291,812	183,944	0	
Shift Differential - Cash Funds Exempt /Reappropriated Funds	60,659	0	39,126	34,766	
Workers' Compensation	<u>285,475</u>	<u>229,279</u>	<u>205,462</u>	<u>205,906</u>	SWDI-Ombuds Program (DPA DI-7)
General Fund	73,435	58,979	61,346	61,465	
Cash Funds	1,579	1,268	0	2	
Cash Funds Exempts / Reappropriated Funds	210,461	169,032	144,116	144,439	
Operating Expenses	<u>99,657</u>	<u>99,698</u>	<u>99,842</u>	<u>107,612</u>	
General Fund	0	0	0	7,770	SWDI-Mail and Postage Increase (DPA DI-5 & 8)
Cash Funds Exempts / Reappropriated Funds	99,657	99,698	99,842	99,842	
Legal Services	249,783	369,193	296,270	296,270	
Hours	<u>3,686</u>	<u>5,126</u>	<u>3,945</u>	<u>3,945</u>	
General Fund	202,194	324,182	246,803 a/	246,803	
Cash Funds Exempts / Reappropriated Funds	47,589	45,011	49,467	49,467	
Administrative Law Judge Services	<u>582</u>	<u>2,511</u>	<u>2,633</u>	<u>2,880</u>	
General Fund	0	0	0	0	
Cash Funds Exempts / Reappropriated Funds	582	2,511	2,633	2,880	
Purchase of Services from Computer Center	<u>3,857,882</u>	<u>3,053,344</u>	<u>2,294,353</u>	<u>2,294,353</u>	
General Fund	2,995,195	2,357,487	947,875	947,875	
Cash Funds	0	0	0	0	
Cash Funds Exempts / Reappropriated Funds	862,687	695,857	1,346,478	1,346,478	
Multiuse Network Payments - CFE / RF	36,257	101,764	67,547	67,547	
Payment to Risk Management and Property Funds	<u>1,068,603</u>	<u>560,892</u>	<u>651,845</u>	<u>651,845</u>	
General Fund	274,885	144,283	194,582	194,582	
Cash Funds	5,910	3,102	0	0	
Cash Funds Exempts / Reappropriated Funds	787,808	413,507	457,263	457,263	
Vehicle Lease Payments	<u>124,538</u>	<u>103,446</u>	<u>43,315</u>	<u>52,015</u>	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
General Fund	174	174	2,118	2,118	
Cash Funds Exempts / Reappropriated Funds	124,364	103,272	41,197	49,897	
Leased Space	<u>1,189,812</u>	<u>1,431,706</u>	<u>1,313,306</u>	<u>1,313,306</u>	
General Fund	459,521	482,497	434,813	434,813	
Cash Funds	16,346	17,163	17,163	17,163	
Cash Funds Exempts / Reappropriated Funds	713,945	932,046	861,330	861,330	
Capitol Complex Leased Space	<u>1,153,033</u>	<u>1,195,160</u>	<u>809,098</u>	<u>809,098</u>	
General Fund	539,826	571,387	559,100	559,100	
Cash Funds Exempts / Reappropriated Funds	613,207	623,773	249,998	249,998	
Communications Services Payments	<u>0</u>	<u>849</u>	<u>887</u>	<u>887</u>	
General Fund	0	849	887	887	
Cash Funds Exempts / Reappropriated Funds	0	0	0	0	
Test Facility Lease - General Fund	116,475	119,842	119,842	0	DI-13
Employment Security Contract Payment	<u>17,233</u>	<u>17,033</u>	<u>17,400</u>	<u>0</u>	DI-13
General Fund	10,722	10,709	10,889	0	DI-13
Cash Funds Exempts / Reappropriated Funds	6,511	6,324	6,511	0	DI-13
Employees Emeritus Retirement - General Fund	9,379	7,122	11,370	0	DI-13
HIPAA - Security Remediation	215,718	181,474	227,638	202,769	
FTE	<u>1.6</u>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	72,403	71,246	72,520	82,651	
Cash Funds Exempts / Reappropriated Funds	143,315	110,228	155,118	120,118	
Governor's Transition - General Fund	10,000	0	0	0	
<b>(B) Statewide Special Purpose</b>					DI-13
<b>(1) Colorado State Employees Assistance Program<sup>b/</sup></b>					DI-13
Personal Services - CFE / RF	288,732	298,474	619,824	694,732	DI-13, DI-7
FTE	4.5	4.1	10.0	11.0	DI-13, DI-7
Operating Expenses - CFE / RF	35,610	36,306	71,828	59,341	DI-13, SWDI-Mail and Postage Increase, DI-7
Indirect Cost Assessment - CFE / RF	50,698	63,788	162,295	112,816	DI-13

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
<b>(2) Office of the State Architect <sup>cl</sup></b>	505,064	514,170	533,168	557,471	DI-13
FTE	<u>5.6</u>	<u>5.6</u>	<u>6.0</u>	<u>6.0</u>	DI-13
General Fund	248,308	514,170	533,168	557,471	DI-13
Cash Funds	134,673	0	0	0	DI-13
Cash Funds Exempts / Reappropriated Funds	122,083	0	0	0	DI-13
<b>(3) Colorado State Archives <sup>dl</sup></b>					
Personal Services	448,706	485,687	508,124	538,085	DI-13
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.5</u>	<u>8.5</u>	DI-13
General Fund	351,462	362,965	403,412	433,373	DI-13
Cash Funds	79,064	78,669	93,811	93,811	DI-13
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	10,901	10,901	DI-13
Operating Expenses - General Fund	48,948	56,794	56,794	56,794	DI-13
<b>(4) Other Statewide Special Purpose <sup>el</sup></b>					
Test Facility Lease - General Fund	116,475	119,842	119,842	119,842	DI-13
Employment Security Contract Payment	<u>17,233</u>	<u>17,033</u>	<u>17,400</u>	<u>17,400</u>	DI-13
General Fund	10,722	10,709	10,889	10,889	DI-13
Cash Funds Exempts / Reappropriated Funds	6,511	6,324	6,511	6,511	DI-13
Employees Emeritus Retirement - General Fund	9,379	7,122	11,370	11,370	DI-13
					Request vs. Appropriation
<b>TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE</b>	12,791,487	12,970,513	11,457,781	13,461,421	17.5%
FTE	<u>20.1</u>	<u>20.6</u>	<u>22.5</u>	<u>48.0</u>	<u>25.5</u>
General Fund	5,576,536	5,120,871	3,907,654	4,819,654	23.3%
Cash Funds	47,801	140,927	17,163	110,976	546.6%
Cash Funds Exempt / Reappropriated Funds	7,167,150	7,708,715	7,532,964	8,530,791	13.2%

<sup>al</sup> Appropriation for FY 2007-08 contains \$121,986 General Fund for S.B. 07-210. The appropriation for FY 2008-09 is \$44,610. The Department requested, and the JBC approved, a September 2008 FY 2008-09 1331 supplemental for \$63,052 additional General Fund for legal services related to the Independent Ethics Commission. The additional funds are not reflected in the FY 09 appropriation.

<sup>bl</sup> This program resides in the Division of Human Resources. The Department has submitted a request (DI-13) to move this program under the Executive Director's Office starting with FY 2009-10. The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do not add to the total for the Executive Director's Office. The actual and appropriation amounts are summed below in the Division of Human Resources.

<sup>cl</sup> This program resides in the division of Finance and Procurement, (D) Real Estate Services Program; Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review. The Department has submitted a request (DI-13) to move this program under the Executive Director's Office starting with FY 2009-10 and renaming the program to "Office of the State Architect". The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do not add to the total for the

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
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Executive Director's Office. The actual and appropriation amounts are summed below in the division of Finance and Procurement.

<sup>d/</sup> This program is a standalone program "Information and Archival Services". Prior to the passage of S.B. 08-155, the program resided within the Division of Information Technology.

The Department has submitted a request (DI-13) to move this program under the Executive Director's Office starting with FY 2009-10 and re-name the program to "Colorado State Archives".

The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do not add to the total for the Executive Director's Office.

The actual and appropriation amounts are summed below in the Information and Archival Services division.

<sup>e/</sup> The Department requests (through DI-13) the creation of a subsection within the Executive Director's Office titled "Other Statewide Special Purpose". The lines included within this subsection are lines that already existed within the Executive Director's Office. The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do not add to the total for the Executive Director's Office. The actual and appropriation amounts are summed above in the EDO, Departmental Administration section.

## (2) DIVISION OF HUMAN RESOURCES

This division is responsible for the administration of the statewide classified personnel system, which includes approximately 31,138 employees, excluding the Department of Higher Education. It also administers the employee benefits programs (such as group health and dental benefits), manages statewide systems for payroll and basic employee information, and operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies. The primary sources of cash funds include the Deferred Compensation Fund, the Defined Contribution Fund, and payments from state enterprises for risk management services. The primary sources of cash funds exempt include the Risk Management Fund, the Self-Insured Property Fund, the Benefits Administration Fund, transfers from other state agencies, and indirect cost recoveries from other divisions within the Department.

### (A) Human Resource Services

#### (1) State Agency Services

Personal Services	1,924,013	1,921,842	2,019,788	2,127,164	
FTE	<u>24.7</u>	<u>22.6</u>	<u>27.2</u>	<u>27.2</u>	
Cash Funds Exempts / Reappropriated Funds	1,924,013	1,921,842	2,019,788	2,127,164	
Operating Expenses	<u>87,969</u>	<u>83,435</u>	<u>88,462</u>	<u>88,873</u>	
General Fund	0	0	0	411	SWDI-Mail and
Cash Funds Exempts / Reappropriated Funds	87,969	83,435	88,462	88,462	Postage Increase (DPA DI-5 & 8)

#### (2) Training Services

Personal Services	42,942	57,142	0	70,097	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	DI-2
Cash Funds	25,572	25,444	0	0	
Cash Funds Exempts / Reappropriated Funds	17,370	31,698	0	70,097	
Operating Expenses	<u>12,880</u>	<u>16,191</u>	<u>78,980</u>	<u>78,980</u>	
Cash Funds	0	0	45,214	45,214	
Cash Funds Exempts / Reappropriated Funds	12,880	16,191	33,766	33,766	
Indirect Cost Assessment - CFE / RF	31,309	35,034	0	0	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
<b>(3) Colorado State Employees Assistance Program</b>					
Personal Services - CFE / RF	288,732	298,474	619,824	0	DI-13
FTE	4.5	4.1	10.0	0.0	DI-13
Operating Expenses - CFE / RF	35,610	36,306	71,828	0	DI-13
Indirect Cost Assessment - CFE / RF	50,698	63,788	162,295	0	DI-13
					Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>					
<b>Subtotal - (A) Human Resource Services Section</b>	2,474,153	2,512,212	3,041,177	2,365,114	-22.2%
FTE	<u>29.2</u>	<u>26.7</u>	<u>37.2</u>	<u>28.2</u>	<u>(9.0)</u>
General Fund	0	0	0	411	n/a
Cash Funds	25,572	25,444	45,214	45,214	0.0%
Cash Funds Exempt / Reappropriated Funds	2,448,581	2,486,768	2,995,963	2,319,489	-22.6%

**(2) DIVISION OF HUMAN RESOURCES**

**(B) Employee Benefits Services**

Personal Services	821,620	857,870	952,805	986,151	
FTE	<u>10.3</u>	<u>11.1</u>	<u>12.5</u>	<u>12.5</u>	
General Fund <sup>1</sup>	0	0	21,883	21,883	
Cash Funds	0	0	920,766	920,766	
Cash Funds Exempts / Reappropriated Funds	821,620	857,870	10,156	43,502	
Operating Expenses	<u>47,776</u>	<u>48,217</u>	<u>122,725</u>	<u>123,579</u>	
General Fund <sup>1</sup>	0	0	70,500	70,500	SWDI-Mail and Postage Increase (DPA DI-5 & 8)
Cash Funds		0	52,225	52,225	
Cash Funds Exempts / Reappropriated Funds	47,776	48,217	0	854	
Utilization Review - CF		0	40,000	40,000	
Utilization Review - CFE / RF	40,000	40,000	0	0	
Deferred Compensation Plans - CFE / RF	78,827	84,475	84,500	84,500	
Deferred Compensation Administration (TPA) - CFE / RF	601,546	681,999	682,000	682,000	
Defined Contribution Plans - CFE / RF	11,209	10,625	11,226	11,226	



	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Deferred Compensation Plan and Defined Contribution Plans					
Performance Audits - CFE / RF	0	123,750	0		
H.B. 07-1335 Pilot Disease Management Program - CF		0	0	0	
H.B. 07-1335 Pilot Disease Management Program - CFE / RF	0	36,570	0	0	
S.B. 07-97 Supplemental State Contribution Fund - CFE <sup>2</sup>	0	0	0	0	
H.B. 07-1335 Supplemental State Contribution Fund - Cash Funds	0	0	1,739,729	1,739,729	
Indirect Cost Assessment - CFE / RF	119,766	98,315	210,609	314,180	
					Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>					
<b>Subtotal - (B) Employee Benefits Services</b>	1,720,744	1,981,821	3,843,594	3,981,365	3.6%
FTE	<u>10.3</u>	<u>11.1</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>
General Fund	0	0	92,383	92,383	0.0%
Cash Funds	0	0	2,752,720	2,752,720	0.0%
Cash Funds Exempt / Reappropriated Funds	1,720,744	1,981,821	998,491	1,136,262	13.8%

<sup>1</sup> Includes \$21,883 and 0.5 FTE for personal services and \$78,252 for operating expenses in FY 2007-08 for administrative costs related to HB 07-1335. For FY 2008-09, the appropriation includes \$21,883 and 0.5 FTE and \$70,500 operating expenses.

<sup>2</sup> The FY 2007-08 appropriation in S.B. 07-97 was adjusted by H.B. 07-1359.

**(2) DIVISION OF HUMAN RESOURCES**

**(C) Risk Management Services**

Personal Services - CFE / RF	579,219	598,063	633,343	659,211	
FTE	8.0	8.2	9.0	9.0	
Operating Expenses - CFE / RF	50,563	56,866	57,104	57,311	SWDI-Mail and Postage Increase (DPA DI-5 & 8)
Audit Expense - CFE / RF	0	0	0	0	
Legal Services - CFE / RF	2,415,921	2,687,622	2,392,686	2,392,686	
Hours	35,649	37,313	31,860	31,860	
Liability Premiums	<u>4,540,332</u>	<u>4,951,379</u>	<u>8,977,137</u>	<u>8,977,137</u>	
Cash Funds	307,746	565,666	0	0	
Cash Funds Exempt / Reappropriated Funds	4,232,586	4,385,713	8,977,137	8,977,137	
Property Premiums	<u>6,556,767</u>	<u>9,047,174</u>	<u>11,855,953</u>	<u>11,855,953</u>	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Cash Funds	502,785	3,346,334	0	0	
Cash Funds Exempt / Reappropriated Funds	6,053,982	5,700,840	11,855,953	11,855,953	
Workers' Compensation Premiums <sup>av</sup>	<u>30,254,216</u>	<u>34,115,340</u>	<u>31,896,783</u>	<u>31,896,783</u>	
Cash Funds	3,258,415	3,131,042	0	0	
Cash Funds Exempt / Reappropriated Funds	26,995,801	30,984,298	31,896,783	31,896,783	
Indirect Cost Assessment - CFE / RF	139,450	137,080	205,237	210,797	
					Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>					
<b>Subtotal - (C) Risk Management Services</b>	44,536,468	51,593,524	56,018,243	56,049,878	0.1%
FTE	<u>8.0</u>	<u>8.2</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
Cash Funds	4,068,946	7,043,042	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	40,467,522	44,550,482	56,018,243	56,049,878	0.1%
<b>TOTAL - (2) DIVISION OF HUMAN RESOURCES</b>	48,731,365	56,087,557	62,903,014	62,396,357	-0.8%
FTE	<u>47.5</u>	<u>46.0</u>	<u>58.7</u>	<u>49.7</u>	<u>(9.0)</u>
General Fund	0	0	92,383	92,794	0.4%
Cash Funds	4,094,518	7,068,486	2,797,934	2,797,934	0.0%
Cash Funds Exempt / Reappropriated Funds	44,636,847	49,019,071	60,012,697	59,505,629	-0.8%

<sup>av</sup> The JBC approved an interim 1331 supplemental for Workers' Compensation Premiums for FY 2007-08 in the amount of \$5,666,266. This amount will be added to the Department's appropriation through a January 2009 Department of Personnel supplemental bill.

### (3) CONSTITUTIONALLY INDEPENDENT ENTITIES<sup>av</sup>

DI-13

#### ~~(3) PERSONNEL BOARD~~ (A) Personnel Board

DI-13

This division provides staff support for the five-member 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. The Board provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. The cash fund source is from revenue for copies of information and case documentation. The cash fund exempt source is from indirect cost recoveries and revenue from other state agencies for copies of information and case documentation.

Personal Services	426,649	437,357	456,945	485,891
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>
General Fund	20,585	227,902	0	0
Cash Funds	488	1,196	1,196	1,196
Cash Funds Exempt / Reappropriated Funds	405,576	208,259	455,749	484,695

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Operating Expenses	<u>29,033</u>	<u>27,155</u>	<u>29,033</u>	<u>29,297</u>	SWDI-Mail and
General Fund	0	25,596	0	264	Postage Increase
Cash Funds Exempt / Reappropriated Funds	29,033	1,559	29,033	29,033	(DPA DI-5 & 8)
					Request vs.
					Appropriation
<b>(3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>					
<b>Subtotal - (A) Personnel Board</b>	455,682	464,512	485,978	515,188	6.0%
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>0.0</u>
General Fund	20,585	253,498	0	264	n/a
Cash Funds	488	1,196	1,196	1,196	0.0%
Cash Funds Exempt / Reappropriated Funds	434,609	209,818	484,782	513,728	6.0%
<b>(B) Independent Ethics Commission <sup>b/</sup></b>					
					DI-13
Personal Services - General Fund <sup>c/</sup>	N/A	N/A	80,047	80,047	DI-13
FTE	N/A	N/A	1.8	1.8	DI-13
Operating Expenses - General Fund <sup>c/</sup>	N/A	N/A	11,144	11,144	DI-13
					Request vs.
					Appropriation
<b>(3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>					
<b>Subtotal - (B) Independent Ethics Commission</b>					
General Fund	N/A	N/A	91,191	91,191	0.0%
FTE	N/A	N/A	1.8	1.8	0.0
<b>TOTAL - (3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>					
	455,682	464,512	485,978	606,379	24.8%
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>6.6</u>	<u>1.8</u>
General Fund	20,585	253,498	0	91,455	n/a
Cash Funds	488	1,196	1,196	1,196	0.0%
Cash Funds Exempt / Reappropriated Funds	434,609	209,818	484,782	513,728	6.0%

<sup>a/</sup> The Department has submitted a request (DI-13) to create a new budget section starting with FY 2009-10 titled "Constitutionally Independent Entities". The Department requests that the Personnel Board and the Independent Ethics Commission (currently residing within the Office of Administrative Courts) reside in this new section.

<sup>b/</sup> The FY 2007-08 actual is included in the actuals for the Office of Administrative Courts. The FY 2008-09 Appropriation is listed for informational purposes only and does not add to the total for the Constitutionally Independent Entities section. The FY 2008-09 appropriation amount is summed below in the Office of Administrative Courts.

<sup>c/</sup> The Joint Budget Committee approved an interim 1331 supplemental for the Independent Ethics Commission for FY 2008-09 for \$22,885 additional General Fund for Personal Services and \$10,579 additional General Fund for Operating Expenses. These amounts are not reflected in the appropriation and will be adjusted through a January 2009 supplemental bill.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
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**(4) CENTRAL SERVICES**

This division is responsible for reducing costs to other state agencies for commonly-used support services, such as mail services, collections, travel, printing, copying, and document reproduction and data entry. It administers the statewide Fleet Management Program that provides vehicles to and monitors the maintenance costs of other state agencies. The Division also oversees the maintenance of buildings and grounds of the Capitol Complex, the Grand Junction State Services Building, and Camp George West as a part of the Facilities Maintenance program.

**(A) Administration**

Personal Services - CFE / RF	679,191	695,490	719,816	751,883	
FTE	9.4	10.2	10.0	10.0	
Operating Expenses	70,832	75,851	77,427	77,427	
Indirect Cost Assessment	118,539	84,219	52,406	100,300	Request vs. Appropriation

<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (A) Administration</b>	868,562	855,560	849,649	929,610	9.4%
FTE	<u>9.4</u>	<u>10.2</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
Cash Funds	36,187	41,206	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	832,375	814,354	849,649	929,610	9.4%

**(4) CENTRAL SERVICES**

**(B) Integrated Document Factory**

**(1) Reprographic Services**

Personal Services	1,157,128	1,137,877	1,206,961	1,349,799	DI-3
FTE	21.8	21.8	23.3	23.3	
Operating Expenses <sup>a/</sup>	1,991,462	3,046,647	2,404,752	2,738,932	DI-3, DI-10
Indirect Cost Assessment	237,079	232,704	169,705	147,901	Request vs. Appropriation

<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (B) Integrated Document Factory (1) Reprographics Services</b>	3,385,669	4,417,228	3,781,418	4,236,632	12.0%
FTE	<u>21.8</u>	<u>21.8</u>	<u>23.3</u>	<u>23.3</u>	<u>0.0</u>
Cash Funds	263,935	305,456	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	3,121,734	4,111,772	3,781,418	4,236,632	12.0%

<sup>a/</sup> The Joint Budget Committee approved an interim 1331 supplemental for Reprographics Services, Operating Expenses for FY 2008-09 in the amount of \$1,355,282. This amount is not reflected

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
in the appropriation above and will be adjusted through a January 2009 supplemental bill.					
<b>(2) Document Solutions Group<sup>b/</sup></b>					
Personal Services	2,703,278	2,921,858	2,755,757	3,275,253	DI-3, NPDI-14
FTE	45.4	54.2	55.7	55.7	
Operating Expenses	249,720	404,846	407,519	750,888	SWDI-Mail/Postage, DI-3, NPDI-13, 15, 17
Utilities	27,889	39,635	69,000	69,000	
Indirect Cost Assessment	197,566	169,477	136,708	173,089	
					Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (B) Integrated Document Factory (2) Document Solutions Group</b>					
	3,178,453	3,535,816	3,368,984	4,268,230	26.7%
FTE	<u>45.4</u>	<u>54.2</u>	<u>55.7</u>	<u>55.7</u>	<u>0.0</u>
Cash Funds	28,042	35,917	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	3,150,411	3,499,899	3,368,984	4,268,230	26.7%
<sup>b/</sup> Prior to FY 2003-04, the Document Solutions Group was named the Imaging and Microfilm Unit. A department reorganization moved the Pueblo Data Entry Center from the Division of Information Technology to Central Services and combined it with the Imaging and Microfilm Unit.					
<b>(3) Mail Services</b>					
Personal Services	1,127,966	1,225,914	1,253,725	1,473,001	DI-3
FTE	32.4	39.5	34.6	34.6	
Operating Expenses	5,836,181	7,657,809	7,944,200	10,592,755	SWDI-Fuel, Mail/Postage DI-3,5,8
Indirect Cost Assessment	355,618	276,199	237,215	165,998	
					Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (B) Integrated Document Factory (3) Mail Services</b>					
	7,319,765	9,159,922	9,435,140	12,231,754	29.6%
FTE	<u>32.4</u>	<u>39.5</u>	<u>34.6</u>	<u>34.6</u>	<u>0.0</u>
Cash Funds	555,400	697,515	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	6,764,365	8,462,407	9,435,140	12,231,754	29.6%
					Request vs. Appropriation

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (B) Integrated Document Factory</b>	13,883,887	17,112,966	16,585,542	20,736,616	25.0%
FTE	<u>99.6</u>	<u>115.5</u>	<u>113.6</u>	<u>113.6</u>	<u>0.0</u>
Cash Funds	847,377	1,038,888	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	13,036,510	16,074,078	16,585,542	20,736,616	25.0%
<b>(4) CENTRAL SERVICES</b>					
<b>(C) Fleet Management and Motor Pool Services</b>					
Personal Services	777,713	812,043	829,515	918,192	DI-11
FTE	14.9	15.7	14.0	15.0	DI-11
Operating Expenses <sup>c/</sup>	17,746,418	22,115,418	20,677,433	28,720,428	DI-1, DI-11
Vehicle Replacement Lease, Purchase or Lease/Purchase	12,479,698	13,170,783	12,558,203	15,321,900	DI-9, NPDI-1,2,3,4,5, 6,7,8,9,10,11,12,16,18
Indirect Cost Assessment	632,210	430,448	302,858	453,493	Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (C) Fleet Management and Motor Pool Services</b>	31,636,039	36,528,692	34,368,009	45,414,013	32.1%
FTE	<u>14.9</u>	<u>15.7</u>	<u>14.0</u>	<u>15.0</u>	<u>1.0</u>
Cash Funds	1,847,561	1,948,015	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	29,788,478	34,580,677	34,368,009	45,414,013	32.1%
<sup>c/</sup> The Joint Budget Committee approved an interim 1331 supplemental for Fleet Management and Motor Pool Services, Operating Expenses, for FY 2007-08 in the amount of \$1,875,721. The appropriation for FY 2007-08 will be adjusted through a January 2009 supplemental bill.					
<b>(4) CENTRAL SERVICES</b>					
<b>(D) Facilities Maintenance</b>					
<b>(1) Capitol Complex Facilities</b>					
Personal Services	2,562,660	2,601,617	2,667,077	2,745,896	
FTE	49.8	51.9	53.2	53.2	
Operating Expenses	1,606,275	1,624,799	1,722,466	1,726,328	SWDI-Fleet Fuel, SWDI-Mail/Postage
Capitol Complex Repairs	56,392	55,520	56,520	56,520	
Capitol Complex Security	260,379	289,484	304,163	304,163	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CFE / RF	0	0	0	0	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CF	0	0	24,069	24,069	
FTE	0.0	0.0	0.3	0.3	
Utilities	3,567,010	3,718,038	3,657,802	3,657,802	
Indirect Cost Assessment	434,644	377,456	273,929	435,060	
					Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (D) Facilities Maintenance (1) Capitol Complex</b>					
<b>Facilities - Cash Funds Exempt</b>	8,487,360	8,666,914	8,706,026	8,949,838	2.8%
FTE	<u>49.8</u>	<u>51.9</u>	<u>53.5</u>	<u>53.5</u>	0.0
Cash Funds	0	0	24,069	24,069	0.0%
Cash Funds Exempt / Reappropriated Funds	8,487,360	8,666,914	8,681,957	8,925,769	2.8%
<b>(2) Grand Junction State Services Building</b>					
Personal Services	44,696	45,335	47,003	48,459	
FTE	1.1	1.0	1.0	1.0	
Operating Expenses	76,469	75,994	76,873	76,873	
Utilities	87,554	87,554	87,554	87,554	
					Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (D) Facilities Maintenance (2) Grand Junction State</b>					
<b>Services Building</b>	208,719	208,883	211,430	212,886	0.7%
FTE	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
Cash Funds	5,103	5,130	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	203,616	203,753	211,430	212,886	0.7%
<b>(3) Camp George West</b>					
Personal Services	61,571	64,564	66,232	79,641	
FTE	1.1	1.2	1.0	1.0	
Operating Expenses	165,303	121,815	122,102	166,289	DI-12

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Utilities	383,485	386,449	434,350	434,350	Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (D) Facilities Maintenance (3) Camp George West</b>	610,359	572,828	622,684	680,280	9.2%
FTE	<u>1.1</u>	<u>1.2</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
Cash Funds	48,950	48,950	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	561,409	523,878	622,684	680,280	9.2%
Request vs. Appropriation					
<b>(4) CENTRAL SERVICES</b>					
<b>Subtotal - (D) Facilities Maintenance</b>	9,306,438	9,448,625	9,540,140	9,843,004	3.2%
FTE	<u>52.0</u>	<u>54.1</u>	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Cash Funds	54,053	54,080	24,069	24,069	0.0%
Cash Funds Exempt / Reappropriated Funds	9,252,385	9,394,545	9,516,071	9,818,935	3.2%
Request vs. Appropriation					
<b>TOTAL - (4) CENTRAL SERVICES</b>					
	55,694,926	63,945,843	61,343,340	76,923,243	25.4%
FTE	<u>175.9</u>	<u>195.5</u>	<u>193.1</u>	<u>194.1</u>	<u>1.0</u>
Cash Funds	2,785,178	3,082,189	24,069	24,069	0.0%
Cash Funds Exempt / Reappropriated Funds	52,909,748	60,863,654	61,319,271	76,899,174	25.4%

**(5) OFFICE OF THE STATE CONTROLLER**

DI-13

This division oversees and implements controls over the financial affairs of all departments. This includes statewide financial reporting, policy and procedural guidance, and the development of a statewide indirect cost plan. The cash fund source comes from rebates associated with the Procurement Card Program.

Personal Services <sup>a/</sup>	N/A	N/A	2,309,874	2,449,912	DI-13
FTE	N/A	N/A	<u>27.5</u>	<u>27.5</u>	DI-13
General Fund	N/A	N/A	1,151,705	1,368,375	DI-13
Cash Funds	N/A	N/A	1,048,014	971,382	DI-13
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	110,155	110,155	DI-13
Operating Expenses <sup>a/</sup>	N/A	N/A	<u>115,676</u>	<u>116,514</u>	DI-13
General Fund	N/A	N/A	115,676	116,514	DI-13, SWDI-Mail
Cash Funds	N/A	N/A	0	0	DI-13



	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
					Request vs. Appropriation
<b>(5) TOTAL - OFFICE OF THE STATE CONTROLLER</b>	N/A	N/A	2,425,550	2,566,426	5.8%
FTE	N/A	N/A	<u>27.5</u>	<u>27.5</u>	<u>0.0</u>
General Fund	N/A	N/A	1,267,381	1,484,889	17.2%
Cash Funds	N/A	N/A	1,048,014	971,382	-7.3%
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	110,155	110,155	0.0%

<sup>b/</sup> This program resides in the division of Finance and Procurement State Controller's Office and Procurement Services. The Department has submitted a request (DI-13) to move this program under a stand-alone program titled "Office of the State Controller" starting with FY 2009-10. The numbers for FY 2006-07 Actual and FY 2007-08 Actual are listed in the Finance and Procurement, State Controller's Office and Procurement Services section of the budget below. The FY 2008-09 Appropriation numbers are listed for informational purposes only and do not add into the total for the Department.

**(5) (6) FINANCE AND PROCUREMENT**

DI-13

This division manages the financial affairs of all departments through the State Controller's Office. This includes statewide financial reporting, policy and procedural guidance, contract management, and the development of a statewide indirect cost allocation plan. One cash fund source is the Supplier Database Cash Fund pursuant to Section 24-102-202.5, C.R.S. The division also receives cash funds from rebates associated with the Procurement Card Program.

**(A) State Controller's Office and Procurement Services**

Personal Services	2,916,277	3,000,053	3,117,078	0	DI-13
FTE	<u>39.2</u>	<u>38.3</u>	<u>36.5</u>	<u>0.0</u>	DI-13
General Fund	70,649	1,144,835 a/	1,151,705	0	DI-13
Cash Funds	409,082	0	1,855,218	0	DI-13
Cash Funds Exempt / Reappropriated Funds	2,436,546	1,855,218	110,155	0	DI-13
Operating Expenses	<u>135,302</u>	<u>143,584</u>	<u>142,676</u>	<u>0</u>	DI-13
General Fund	0	143,584 a/	142,676	0	DI-13
Cash Funds	135,302	0	0	0	DI-13
					Request vs. Appropriation

<b>(5) (6) FINANCE AND PROCUREMENT</b>					
<b>Services</b>	3,051,579	3,143,637	3,259,754	0	-100.0%
FTE	<u>39.2</u>	<u>38.3</u>	<u>36.5</u>	<u>0.0</u>	<u>(36.5)</u>
General Fund	70,649	1,288,419	1,294,381	0	-100.0%
Cash Funds	544,384	0	1,855,218	0	-100.0%
Cash Funds Exempt / Reappropriated Funds	2,436,546	1,855,218	110,155	0	-100.0%

a/ S.B. 07-228 appropriated in FY 2007-08 \$361,897 General Fund and 2 FTE to the Department. Of this amount, \$50,913 and 1 FTE, and, 3,380 Operating Expenses, is located in the State Controller's Office; and \$106,099 and 1 FTE, and \$201,505 Operating Expenses, is located in DoIT, Technology Management Unit.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
<b>(A) State Purchasing Office</b>					
Personal Services - Cash Funds	N/A	N/A	807,204	993,623	DI-13
FTE	N/A	N/A	9.0	11.0	DI-13, DI-4
Operating Expenses - Cash Funds	N/A	N/A	27,000	39,356	DI-13
					Request vs. Appropriation

<b>(6) FINANCE AND PROCUREMENT</b>					
<b>Subtotal - (A) State Purchasing Office - Cash Funds</b>	N/A	N/A	834,204	1,032,979	23.8%
FTE	N/A	N/A	9.0	11.0	2.0

<sup>by</sup> This program resides in the division of Finance and Procurement State Controller's Office and Procurement Services. The Department has submitted a request (DI-13) to move this program under a stand-alone program within the division of Finance and Procurement titled "State Purchasing Office" starting with FY 2009-10. The numbers for FY 2006-07 Actual and FY 2007-08 Actual are listed in the Finance and Procurement, State Controller's Office and Procurement Services section of the budget above. The FY 2008-09 Appropriation numbers are listed for informational purposes only and do not add into the total for the Department.

~~(5)~~ **(6) FINANCE AND PROCUREMENT**

**(B) Supplier Database**

Personal Services - Cash Funds	178,715	182,337	190,584	196,133	DI-13
FTE	2.7	2.9	2.0	2.0	
Operating Expenses - Cash Funds	29,774	31,053	43,382	43,382	
					Request vs. Appropriation

<del>(5)</del> <b>(6) FINANCE AND PROCUREMENT</b>					
<b>Subtotal - (B) Supplier Database - Cash Funds</b>	208,489	213,390	233,966	239,515	2.4%
FTE	2.7	2.9	2.0	2.0	0.0

~~(5)~~ **(6) FINANCE AND PROCUREMENT**

**(C) Collections Services**

Personal Services	771,948	874,776	894,144	938,677	DI-13
FTE	15.6	15.2	20.0	20.0	DI-14
Operating Expenses	300,610	333,863	349,085	349,085	
Collection of Debts Due to the State	0	0	20,702	20,702	
Private Collection Agency Fees	866,906	754,911	1,200,000	1,200,000	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Indirect Cost Assessment	172,089	208,569	260,606	172,066	Request vs. Appropriation
<b>(5) (6) FINANCE AND PROCUREMENT</b>					
<b>Subtotal - (C) Collections Services</b>	2,111,553	2,172,119	2,724,537	2,680,530	-1.6%
FTE	15.6	15.2	20.0	20.0	0.0
Cash Funds	1,072,558	900,439	1,344,512	1,360,170	1.2%
Cash Funds Exempt / Reappropriated Funds	1,038,995	1,271,680	1,380,025	1,320,360	-4.3%
<b>(5) (6) FINANCE AND PROCUREMENT</b>					
<b>(D) Real Estate Services Program</b>					DI-13
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review	505,064	514,170	533,168	0	DI-13
FTE	5.6	5.6	6.0	0.0	DI-13
General Fund	248,308	514,170	533,168	0	DI-13
Cash Funds	134,673	0	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	122,083	0	0	0	DI-13
Request vs. Appropriation					
<b>(5) (6) FINANCE AND PROCUREMENT</b>					
<b>Subtotal - (D) Real Estate Services Program</b>	505,064	514,170	533,168	0	-100.0%
FTE	5.6	5.6	6.0	0.0	(6.0)
General Fund	248,308	514,170	533,168	0	-100.0%
Cash Funds	134,673	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	122,083	0	0	0	n/a
Request vs. Appropriation					
<b>TOTAL - (5) (6) FINANCE AND PROCUREMENT</b>					
<b>TOTAL - (5) (6) FINANCE AND PROCUREMENT</b>	5,876,685	6,043,316	6,751,425	3,953,024	-41.4%
FTE	63.1	62.0	64.5	33.0	(31.5)
General Fund	318,957	1,802,589	1,827,549	0	-100.0%
Cash Funds	1,960,104	1,113,829	3,433,696	2,632,664	-23.3%
Cash Funds Exempt / Reappropriated Funds	3,597,624	3,126,898	1,490,180	1,320,360	-11.4%

**(6) DIVISION OF INFORMATION TECHNOLOGY**

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
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S.B. 08-155 moved most of this division (except for Information and Archival Services) into the Governor's Office of Information Technology. This division was responsible for the State's computer center, telecommunications network (which includes public safety and voice systems and the multi-use network) and supported all software applications that were used on a statewide basis for financial and human resources purposes and supported all departmental information technology applications including desktop and software support. It also managed the State's archival and historical records activities and the State's home page on the World Wide Web.

**(A) Administration**

Personal Services	390,674	400,482	0	0	
FTE	6.0	5.9	0.0	0.0	
Operating Expenses	6,245	5,907	0	0	
					Request vs. Appropriation

<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (A) Administration - CFE / RF</b>	396,919	406,389	0	0	n/a
FTE	6.0	5.9	0.0	0.0	0.0

**(6) DIVISION OF INFORMATION TECHNOLOGY**

**(B) Customer Services**

Personal Services	864,218	888,230	0	0	
FTE	12.0	12.6	0.0	0.0	
Operating Expenses	13,217	6,243	0	0	
					Request vs. Appropriation

<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (B) Customer Services - CFE / RF</b>	877,435	894,473	0	0	n/a
FTE	12.0	12.6	0.0	0.0	0.0

**(6) DIVISION OF INFORMATION TECHNOLOGY**

**(C) Order Billing**

Personal Services	626,656	578,993	0	0	
FTE	9.4	8.4	0.0	0.0	
Operating Expenses	10,750	1,211	0	0	
					Request vs. Appropriation

<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (C) Order Billing - CFE / RF</b>	637,406	580,204	0	0	n/a

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
FTE	9.4	8.4	0.0	0.0	0.0

**(6) DIVISION OF INFORMATION TECHNOLOGY**

**(D) Communications Services**

Personal Services	3,412,977	3,461,829	0	0	
FTE	44.5	44.9	0.0	0.0	
Operating Expenses	146,110	174,767	0	0	
Training	20,140	22,000	0	0	
Utilities	165,002	164,996	0	0	
Snocat Replacement	230,520	230,520	0	0	
Local Systems Development	173,775	183,565	0	0	
Indirect Cost Assessment	342,402	433,320	0	0	
					Request vs. Appropriation

**(6) DIVISION OF INFORMATION TECHNOLOGY**

<b>Subtotal - (D) Communications Services</b>	4,490,926	4,670,997	0	0	n/a
FTE	<u>44.5</u>	<u>44.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	449,248	448,350	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	3,867,903	4,039,082	0	0	n/a
Federal Funds	173,775	183,565	0	0	n/a

**(6) DIVISION OF INFORMATION TECHNOLOGY**

**(E) Network Services**

Personal Services	1,437,445	1,468,158	0	0	
FTE	15.5	14.7	0.0	0.0	
Operating Expenses	12,787,016	15,586,984	0	0	
Toll-free Telephone Access to Members of the General Assembly	25,000	25,000	0	0	
Indirect Cost Assessment	0	46,410	0	0	
					Request vs.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request Appropriation
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (E) Network Services</b>	14,249,461	17,126,552	0	0	n/a
FTE	<u>15.5</u>	<u>14.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	1,522,249	1,864,215	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	12,727,212	15,262,337	0	0	n/a
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>(F) Computer Services</b>					
Personal Services	2,600,163	2,655,746	0	0	
FTE	<u>39.3</u>	<u>39.7</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	127,742	127,487	0	0	
Cash Funds Exempt / Reappropriated Funds	2,472,421	2,528,259	0	0	
Operating Expenses	<u>5,564,162</u>	<u>5,960,436</u>	<u>0</u>	<u>0</u>	
Cash Funds Exempt / Reappropriated Funds	5,564,162	5,960,436	0	0	
Rental, Lease, or Lease/Purchase of Central Processing Unit	336,034	336,034	0	0	
Indirect Cost Assessment	467,949	566,864	0	0	
					Request vs. Appropriation
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (F) Computer Services</b>	8,968,308	9,519,080	0	0	n/a
FTE	<u>39.3</u>	<u>39.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	127,742	127,487	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	8,840,566	9,391,593	0	0	n/a
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>(G) - Information and Archival Services</b>					
Personal Services	448,706	485,687	0	0	DI-13
FTE	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>	<u>0.0</u>	DI-13
General Fund	351,462	362,965	0	0	DI-13
Cash Funds	79,064	78,669	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	0	0	DI-13
Operating Expenses General Fund	48,948	56,794	0	0	DI-13
					Request vs.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request Appropriation
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (G) Information and Archival Services</b>	497,654	542,481	0	0	n/a
FTE	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	400,410	419,759	0	0	n/a
Cash Funds	79,064	78,669	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	0	0	n/a
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>(H) - Technology Management Unit</b>					
Personal Services	2,763,739	2,865,671	0	0	
FTE	<u>36.3</u>	<u>35.5</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	2,763,739	2,865,671 a/	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	
Operating Expenses	<u>295,842</u>	<u>298,086</u>	<u>0</u>	<u>0</u>	
General Fund	295,842	298,086	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	
					Request vs. Appropriation
<b>(6) DIVISION OF INFORMATION TECHNOLOGY</b>					
<b>Subtotal - (H) Technology Management Unit</b>	3,059,581	3,163,757	0	0	n/a
FTE	<u>36.3</u>	<u>35.5</u>	<u>0.0</u>	<u>0.0</u>	0.0
Subtotal - General Fund	3,059,581	3,163,757	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	
a/ Includes a one-time appropriation of \$93,750 General Fund for the implementation of HB 06S-1015.					
					Request vs. Appropriation
<b>TOTAL - (6) DIV. OF INFORMATION TECHNOLOGY</b>	33,177,690	36,903,933	0	0	n/a
FTE	<u>171.0</u>	<u>169.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	3,459,991	3,583,516	0	0	n/a
Cash Funds	2,178,303	2,518,721	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	27,365,621	30,618,131	0	0	n/a
Federal Funds	173,775	183,565	0	0	n/a

**(6) INFORMATION AND ARCHIVAL SERVICES** <sup>a/</sup>

DI-13

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	Change Request
Personal Services <sup>b/</sup>	448,706	485,687	508,124	0	DI-13
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.5</u>	<u>0.0</u>	DI-13
General Fund	351,462	362,965	403,412	0	DI-13
Cash Funds	79,064	78,669	93,811	0	DI-13
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	10,901	0	DI-13
Operating Expenses General Fund	48,948	56,794	56,794	0	DI-13
					Request vs. Appropriation
<b>TOTAL - (6) INFORMATION AND ARCHIVAL SERVICES</b>	497,654	542,481	564,918	0	-100.0%
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.5</u>	<u>0.0</u>	<u>(8.5)</u>
General Fund	400,410	419,759	460,206	0	-100.0%
Cash Funds	79,064	78,669	93,811	0	-100.0%
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	10,901	0	-100.0%

<sup>a/</sup> This program is a standalone program "Information and Archival Services". Prior to the passage of S.B. 08-155, the program resided within the Division of Information Technology. The Department has submitted a request for FY 2009-10 (DI-13), to move this program under the Executive Director's Office starting with FY 2009-10 and re-name the program to "Colorado State Archives".

<sup>b/</sup> The FY 2006-07 Actual and FY 2007-08 Actual amounts are shown for informational purposes and do not add to the total for the Department. The FY 2006-07 Actual and FY 2007-08 Actual amounts are from the time when the program resided within the Division of Information and Technology.

## (7) ADMINISTRATIVE COURTS

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

Personal Services	2,945,674	3,008,208	3,170,099	3,399,089	
FTE	<u>35.7</u>	<u>36.5</u>	<u>40.8</u> a/	<u>41.0</u>	DI-13
General Fund	0	0	80,047 d/	0	DI-13
Cash Funds	28,689	28,546	28,546	28,546	
Cash Funds Exempt / Reappropriated Funds	2,916,985	2,979,662	3,061,506	3,370,543	DI-6
Operating Expenses	<u>136,459</u>	<u>153,021</u>	<u>166,731</u> b/	<u>169,164</u>	
General Fund	0	0	11,144 c/	0	DI-13
Cash Funds Exempt / Reappropriated Funds	136,459	153,021	155,587 d/	169,164	SWDI-Mail/Postage, DI-6
Indirect Cost Assessment - CFE / RF	290,513	215,330	239,271	341,313	
					Request vs. Appropriation
<b>TOTAL - (7) ADMINISTRATIVE COURTS</b>	3,372,646	3,376,559	3,576,101	3,909,566	9.3%



	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Request</b>
FTE	<u>35.7</u>	<u>36.5</u>	<u>40.8</u>	<u>41.0</u>	<u>0.2</u>
General Fund	0	0	91,191	0	-100.0%
Cash Funds	28,689	28,546	28,546	28,546	0.0%
Cash Funds Exempt / Reappropriated Funds	3,343,957	3,348,013	3,456,364	3,881,020	12.3%

a/ Appropriation for FY 2007-08 and FY 2008-09 includes \$80,856 General Fund and 1.8 FTE for S.B. 07-210.

b/ Appropriation for FY 2007-08 includes \$17,154 General Fund for S.B. 07-210. Appropriation for FY 2008-09 includes \$11,144 General Fund for S.B. 07-210.

c/ Appropriation for FY 2007-08 includes \$3,502 for S.B. 07-258. Appropriation for FY 2008-09 includes \$3,502 for S.B. 07-258 as well as an additional \$718 for out year impact of FY 2007-08 DI #5 Legal Files Maintenance.

d/ The Joint Budget Committee approved an interim 1331 supplemental for the Independent Ethics Commission for FY 2008-09 for Personal Services and Operating Expenses for additional funds of \$22,885 General Fund and \$10,579 General Fund respectively. These amounts are not reflected in the appropriation above and will be adjusted through a January 2009 supplemental bill.

<b>TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>	160,100,481	179,792,233	147,082,557	163,816,416	11.4%
FTE	<u>517.9</u>	<u>535.1</u>	<u>392.9</u>	<u>399.9</u>	<u>7.0</u>
General Fund	9,376,069	10,760,474	6,378,983	6,488,792	1.7%
Cash Funds	11,095,081	13,953,894	6,396,415	6,566,767	2.7%
Cash Funds Exempt / Reappropriated Funds	139,455,556	154,894,300	134,307,159	150,760,857	12.3%
Federal Funds	173,775	183,565	0	0	n/a

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Department of Personnel and Administration**

**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- ❑ **S.B. 08-155 (Cadman/Kerr A.):** Consolidates the responsibility for information technology (IT) oversight of most of the State's executive branch in the Governor's Office of Information Technology (OIT). Starting with FY 2008-09, transfers the Division of Information Technology from the Department of Personnel to OIT. Transfers the following appropriations from the Department of Personnel to OIT: \$4,972,632 and 1.0 FTE from the Executive Director's Office; 9.0 FTE from Central Services; 1.0 FTE from Finance and Procurement; \$38,162,234 and 167.8 FTE from the Division of Information Technology. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.
- ❑ **S.B. 07-45 (McElhany/McGihon):** Sets the maximum fee that a custodian of public records may charge for copies of certain public records at 25 cents per standard page, or a fee not to exceed the actual cost of providing a copy, printout, or photograph of a public record in a format other than a standard page. The bill exempts the Department of Personnel and Administration from the fee cap and allows institutions of higher education to charge a reasonable fee for certified transcripts.
- ❑ **S.B. 07-51 (Gordon/Witwer and Levy):** Directs the State Architect (Department of Personnel and Administration) to adopt a "high performance standard certification program" for "state-assisted facilities".
- ❑ **S.B. 07-97 (Fitz-Gerald/Madden):** Reallocates the tobacco settlement money received by the state that currently is credited to the General Fund and Tobacco Settlement Litigation Trust Fund, and provides appropriations to multiple departments. In the Department of Personnel and Administration, creates the Supplemental State Contribution Fund to supplement the monthly state contribution for state employee group benefit plans that include medical benefits by an equal amount for each employee. Specifies that this fund shall receive four and one-half percent of tobacco settlement moneys. For FY 2007-08, appropriates \$1 million cash funds exempt from the Supplemental State Contribution Fund to the Department of Personnel and Administration for supplementing the monthly state contribution for each state employee enrolled in a group benefit plan that includes enrollment in medical benefits.
- ❑ **S.B. 07-99 (Kester/McKinley):** Modifies the centralized state fleet to exclude vehicles rated at one ton or more that are owned, operated, or controlled by an institution of higher education.

- ❑ **S.B. 07-156 (Harvey/Swalm):** Modifies administrative functions related to the state deferred compensation plans. These plans provide employees and officials with a means for investing a portion of their compensation on a tax-deferred basis.
- ❑ **S.B. 07-210 (McElhany and Groff/Marshall and May M.):** Clarifies certain provisions of Article XXIX of the Colorado Constitution added by Amendment 41. Among other things, establishes a five-member ethics commission in the Office of Administrative Courts to hear complaints, issue findings and advisory opinions, and assess penalties. Requires four of the commission's five members to approve any subpoena, and requires that the commission respond to requests for advisory opinions from covered officials within 20 days. Advisory opinions and letter rulings issued by the commission must be posted on a publicly-accessible website. For FY 2007-08, appropriates \$219,996 General Fund and 1.8 FTE to the Department of Personnel and Administration. Of this amount, \$121,986 is appropriated to the Executive Director's Office to be used for legal services from the Department of Law, and, \$98,010 and 1.8 FTE is appropriated to the Division of Administrative Courts for staff support to the commission. The bill also reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by \$219,996 for FY 2007-08.
- ❑ **S.B. 07-228 (Groff/Garcia):** Modifies the state procurement system in three key ways. First, requires development of a publicly accessible and searchable database by June 30, 2009, to track personal services contracts worth more than \$100,000 to which the state is a party. Second, once the database is implemented, requires that state agencies and state vendors monitor such contracts and evaluate whether relevant performance measures are met. Third, requires that state agencies prepare a performance evaluation report prior to the completion of any construction contract worth \$500,000 or more and that the report be reviewed prior to making future contract awards. Adds new conditions for entering into a sole source contract and requires a vendor to justify in writing the basis for performing any work outside Colorado or the United States. For FY 2007-08, appropriates \$361,897 General Fund and 2.0 FTE to the Department of Personnel and Administration for the development of a database to track personal services contracts. The bill also reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by \$361,897 for FY 2007-08.
- ❑ **H.B. 07-1184 (Romanoff/Groff):** Requires certain public fund managers to develop a list of "scrutinized" companies that have business operations in Sudan; notify those companies by mail; and sell, redeem, divest, or withdraw all publicly traded securities of any company that does not stop its active Sudan-related business operations within 90 days of receiving notification. The Attorney General is charged with enforcing the requirements of the bill.
- ❑ **H.B. 07-1220 (Kefalas/Groff):** Requires governmental entities in Colorado to purchase "environmentally preferable" products or services when certain conditions are met. The purchasing preference applies to products and services that have a lesser or reduced effect on human health and the environment than comparable competing products. Agencies can accept bids for environmentally preferable products or services that cost up to 5 percent more

than the lowest bid. But, higher bids are also allowed if a life cycle analysis shows that purchasing the environmentally preferable products or services will result in long-term savings. Each purchasing agency must ensure that the purchase can be accommodated within the agency's existing budget. Any agency that spends over five percent more for an environmentally preferable product or service must report to the Joint Budget Committee the results of any life-cycle cost analysis used to justify the purchase.

- **H.B. 07-1228 (Gardner C./Shaffer):** Requires the executive director of the Department of Personnel and Administration to purchase *only* flexible fuel vehicles (FFVs) or hybrid vehicles beginning January 1, 2008, unless the cost is more than 10 percent higher than a comparable vehicle that runs on petroleum gasoline.

Within 120 days after January 1, 2008, requires the Petroleum Storage Tank Committee to establish policies that govern the placement of above-ground and underground storage tanks that contain renewable fuels.

Requires the Public Utilities Commission (PUC) to develop a policy to establish incentives for consumers who produce distributed generation, including small wind turbines, thermal biomass, electric biomass, and solar thermal energy.

- **H.B. 07-1335 (McGihon/Romer):** Beginning with FY 2008-09, reallocates tobacco litigation settlement moneys currently allocated pursuant to S.B. 07-97 to supplement the state contribution to the medical benefit plan premiums of all state employees to instead supplement the state contribution to the benefit plan premiums of lower-income state employees who have at least one dependent other than their spouse. Lower-income state employees eligible for participation in the supplement program must be eligible to enroll in a group benefit plan, have an annual household income of less than 300 percent of the federal poverty level (FPL), and have at least one dependent other than the employee's legal spouse. The bill stipulates that available funding shall first be used to provide a supplement to eligible employees that have an annual household income of less than 200 percent of the FPL, any available funds shall then be used to provide a supplement to eligible employees that have an annual household income of 200 percent or more of the FPL but less than 250 percent of the FPL, any available funds shall then be used to provide a supplement to eligible employees that have an annual household income of at least 250 percent of the FPL. Also requires the Department of Personnel and Administration to report to the Health and Human Services Committees and the Joint Budget Committee on the Supplemental State Contribution Program each January starting in 2009. The report is required to include information on the number of employees and child dependents receiving supplements, the dollar amount of the supplements, and the increased state costs resulting from the supplement program due to increased enrollees and eligible employees adding coverage for their dependents. Finally, the bill requires the Department of Personnel and Administration to establish a pilot disease management program using money from the Short-term Innovative Health Program Grant Fund established in S.B. 07-97. For FY 2007-08, appropriates

\$260,135 and 0.5 FTE to the Department of Personnel and Administration, of this amount, \$100,135 General Fund is for administrative costs and \$160,000 cash funds exempt from the Short-term Innovative Health Program Grant Fund is for a pilot disease management program. The bill also reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by \$100,135 for FY 2007-08 and reduces the appropriation contained in S.B. 07-97 from the Short-term Innovative Health Program Grant Fund to the Department of Public Health and Environment by \$160,000.

- ❑ **H.B. 07-1359 (Buescher/Fitz-Gerald):** The bill changes the amount of tobacco settlement money that the tobacco settlement programs are expected to receive in FY 2007-08. In the Department of Personnel and Administration, reduces the amount appropriated in S.B. 07-97 from the Supplemental State Contribution Fund by \$229,201.
- ❑ **H.B. 07-1373 (Pommer, Buescher, White, and McFadyen/Johnson, Tapia, Keller):** Modifies the cap on salary increases for the highest paid classes of state employees. Previously, annual salary adjustments were limited to the *lesser* of the change in the consumer price index for the Denver-Boulder metropolitan statistical area for the preceding calendar year or the percentage change in state General Fund appropriations for the preceding fiscal year. Under the bill, the adjustment is equal to the *greater* of the employment cost index for the preceding calendar year or the percentage change in state General Fund appropriations for the preceding fiscal year. Such increases will continue until the salary levels reach the maximum found in the market as determined by the annual compensation survey.
- ❑ **H.B. 06S-1015 (Kerr/Keller):** Requires a trade, business, or corporation that pays a non-employee for services and reports that payment on any of the 18 federal 1099 forms to deduct and withhold state income tax, beginning January 1, 2008, if the person performing the service fails to provide a correct taxpayer identification number (TIN) or provides an Internal Revenue Service (IRS)-issued TIN for non-resident aliens. Appropriates \$93,750 General Fund to the Department of Personnel and Administration to perform computer programming in order to allow Colorado Financial Reporting System (COFRS) to be able to withhold state income taxes.
- ❑ **S.B. 06-6 (Takis/White):** Allows the Public Employees' Retirement Association (PERA) to deny employment to an individual who has been convicted of a felony or other specified offense if the person would have access to PERA investment information, PERA assets, or other information relating to PERA members beneficiaries.
- ❑ **S.B. 06-15 (Taylor/Coleman):** Expands the centralized state fleet to include all trucks, regardless of weight, except for Department of Transportation vehicles rated at more than one ton. Appropriates \$1.8 million cash funds exempt to the Department of Personnel and Administration, Division of Central Services, Fleet Management Program and Motor Pool Services, for Operating Expenses. Prior to this bill state-owned passenger vehicles and

trucks weighing 3/4 ton or less were managed by the Department of Personnel and Administration as a centralized state fleet. The bill also requires executive branch agencies that own vehicles outside of The State fleet to provide data on these vehicles, upon request, to the Department of Personnel and Administration. The bill also requires that all motor vehicles purchased for The State-owned motor vehicle fleet on or after January 1, 2007, meet or exceed the average fuel efficiency standards established pursuant to the federal "Energy Policy Conservation Act", 15 U.S.C. sec. 2001, et seq.

- ❑ **S.B. 06-16 (Entz/Rose):** Requires the Executive Director of the Department of Personnel and Administration to establish a policy by January 1, 2007, requiring all state-owned vehicles and equipment to use a fuel blend of at least 20 percent biodiesel and 80 percent petroleum diesel. The requirement is contingent on such fuels being available and costing no more than 10 cents per gallon more than petroleum diesel fuel.
- ❑ **S.B. 06-173 (Entz/Marshall):** Allows members of the General Assembly to be reimbursed for all actual and necessary travel expenses incurred for vehicle travel while attending to legislative business. Increases The State reimbursement rate for mileage traveled by state employees in a personal vehicle on official state business. Commencing June 1, 2006, but before January 1, 2007, allows seventy-five percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent, eighty percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent for four-wheel-drive vehicles, and forty cents per nautical mile for privately owned aircraft. Commencing January 1, 2007, but before January 1, 2008, allows eighty percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent, eighty-five percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent for four-wheel-drive vehicles, and forty cents per nautical mile for privately owned aircraft. Commencing January 1, 2008, allows ninety percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent, ninety-five percent of the prevailing internal revenue service mileage reimbursement rate to the nearest cent for four-wheel-drive vehicles, and forty cents per nautical mile for privately owned aircraft.
- ❑ **S.B. 06-202 (Traylor/Vigil):** Modifies the process for collecting debts due The State. Among other things, the bill eliminates the requirement that state agencies refer debts to The State Controller in the Department of Personnel and Administration when payment arrangements have been made; extends the time for assigning certain debts to private collections agencies; allows the department to collect debts on behalf of other political subdivisions of The State; and clarifies that if a debt is litigated, the debtor is liable for attorney fees, costs, and fees in addition to the collection fee.
- ❑ **S.B. 06-235 (Sandoval/Marshall):** Reforms PERA benefit plans. Adds a Supplemental Amortization Equalization Disbursement (SAED). Amends the Highest Average Salary (HAS) calculation formula. Changes the Rule of 80 to a Rule of 85 with a minimum retirement age of 55. Implements a new Cost-of-Living Adjustment (COLA) fund for new

hires. Reduces the statutorily prescribed amortization period from 40 years to 30 years. Requires the General Assembly to contract for an independent actuarial study before future benefit increases could occur. Establishes a new requirement to purchase service credit at full actuarial cost. Amends the composition of the PERA Board. Expands DC choice to higher education institutions.

- ❑ **H.B. 06-1256 (Buescher/Keller):** Clarifies the procedure for calculating state employee salaries to ensure that no additional adjustment is made to compensate for the fact that there were no salary survey or performance awards in FY 2003-04. The bill also amends the laws governing dependent eligibility for purposes of state employees group benefit plans and annual elections for The State's defined contribution plan.
- ❑ **S.B. 05-73 (Owen/Jahn):** Includes in the amortization equalization disbursement established by S.B. 04-257 those employees who retire from a PERA member employer who are subsequently re-hired.
- ❑ **S.B. 05-172 (Tapia/Plant):** Specifies that, if the Department of Personnel and Administration opts to self-fund group benefit plans, the Group Benefit Plans Reserve Fund shall not be included in the general assets of the state. Also narrows the possible uses of the Fund to include only premiums, claims costs, other administrative fees, and costs associated with the plans, and establishes a Premium Stabilization Reserve Account.
- ❑ **S.B. 05-185 (Isgar/Harvey):** Changes the name of Administrative Hearings to the Office of Administrative Courts. Allows the Executive Director to appoint and assign administrative law judges to hear specific cases or classes of cases and allows administrative law judges the power to subpoena and engage in alternative dispute resolution. Authorizes attorney fees and costs to be recovered in cases involving the "Fair Campaign Practices Act" for the party that prevails. Directs the Executive Director to establish and maintain administrative offices and courts in Denver, the southern region of the state, and the Western Slope.
- ❑ **H.B. 05-1231 (Harvey/Tochtrop):** Clarifies, among other items, employee eligibility for the Defined Contribution Plan option that was created by S.B. 04-257. Forbids a retiree or a retiree with suspended benefits from enrolling in the Defined Contribution Plan. States that, upon termination of employment, an employee may rollover, request a distribution, transfer, or retain the balance in the plan as specified in the Internal Revenue Code of 1986, 26 U.S.C. Sec. 401, et seq.
- ❑ **H.B. 05-1340 (Weissmann/Johnson):** Continuously appropriates moneys in the State Capitol Building Renovation Fund for expenditures recommended by the State Capitol Building Advisory Committee and approved by the Capital Development Committee and the Joint Budget Committee for the purpose of renovating the Colorado state capitol building.

- ❑ **S.B. 04-233 (McElhany/Harvey):** Authorizes the Department of Personnel and Administration, through a newly created Capitol Parking Authority, to finance the lease-purchase of a parking structure for the Capitol Complex. The structure is to be located on the corner of 14th and Lincoln Streets in Denver and its cost is limited to \$7.5 million, plus administrative and other closing costs and interest. The fiscal impact of the structure will occur in FY 2006-07 when payments are scheduled to begin. The authority is established for purposes of exempting the lease-purchase of the parking structure from TABOR requirements.
  
- ❑ **S.B. 04-243 (Andrews/Stengel) and H.B. 04-1020 (Romanoff / Teck):** S.B. 04-243 authorizes an agency, pursuant to statutory provisions for budget savings, to transfer 50.0 percent of the amount of any General Fund cost savings to the personal services line item in the same agency for purposes of paying performance-based awards to the employees of that agency. Any bonuses awarded are to be consistent with the performance-based pay system established in statute. The agency providing awards pursuant to this act is to notify the Joint Budget Committee, the Office of State Planning and Budgeting, and the State Controller's Office of the amount of cost savings achieved. H.B. 04-1020 eliminates the current statutory incentive award suggestion system and the Incentive Award Suggestion System Board in the Department of Personnel and Administration. The bill requires the State Personnel Director to submit a report to the Joint Budget Committee, by December 1, 2004, with recommendations for the implementation of a new state employee incentive program.
  
- ❑ **S.B. 04-257 (Owen/Young):** Establishes separate divisions within the Public Employees' Retirement Association (PERA) for the state and for public schools, previously the State and School Division, and renames the Municipal Division the Local Government Division. Defines the process by which the state will contribute higher amounts of funding to address the unfunded liability in the PERA trust fund. Beginning in CY 2006 (January of FY 2005-06), the state will contribute an additional 0.5 percent of salary to PERA to address the amortization of the trust fund. This additional contribution, termed the amortization equalization disbursement, will increase by 0.4 percent per year until CY 2012, (FY 2011-12) or at a point when the amortization of the PERA trust fund is in compliance with statutorily defined periods. Finally, the bill creates an optional defined contribution plan for employees hired after January 1, 2006.



**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Personnel and Administration**

**APPENDIX C: UPDATE OF FY 2008-09  
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

None.

**Requests for Information**

- 2 Governor - Lieutenant Governor - State Planning and Budgeting, Office of state Planning and Budgeting; and Department of Personnel and Administration, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1)(d), C.R.S., and is requested to provide other departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency, tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2008. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2007-08. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

Comment: The Governor stated that due to the substantial amount of resources necessary to comply with this request, he will direct agencies to comply to the extent feasible no later than November 3, 2008.

Staff notes that the OSPB sent the Joint Budget Committee a letter on September 12, 2008, apologizing for not providing the November 1 salary and benefit-related budget request in the format that the JBC had requested. In that same letter, the OSPB stated that "the Joint Budget Committee will be receiving the State FTE report with the November 1 FY 2009-10 request, as directed by the Governor in his May 15, 2008 letter to the Joint Budget Committee".

Staff has not received the State FTE report to date.