

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2008-09 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 2008-09 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

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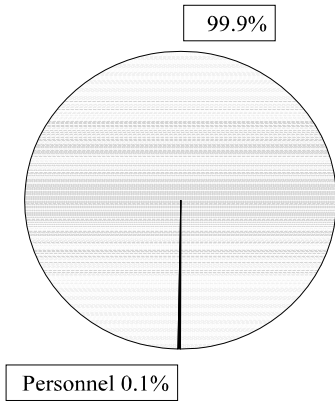
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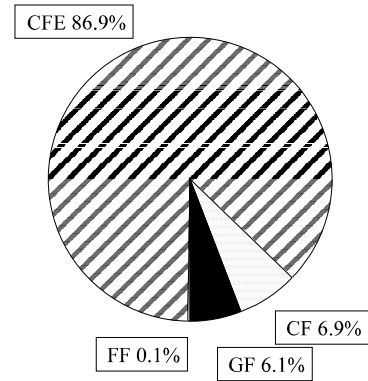
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DEPARTMENT OF PERSONNEL AND ADMINISTRATION GRAPHIC OVERVIEW

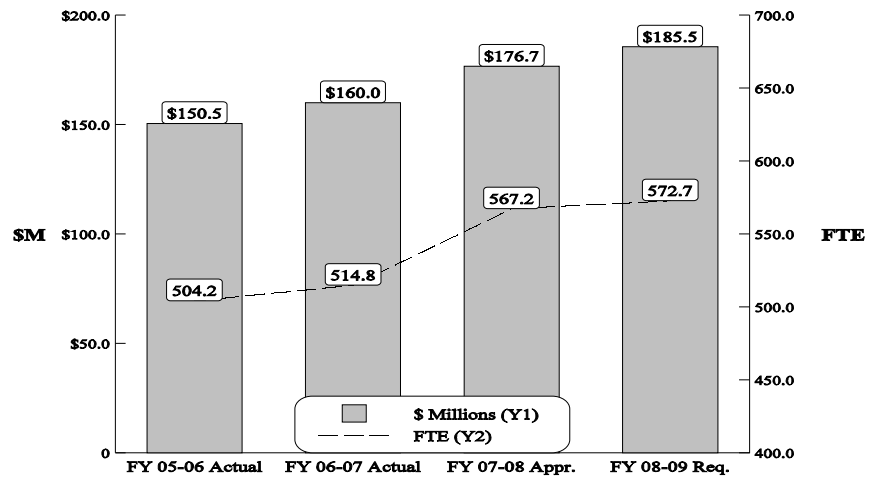
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FY 2007-08**



Budget History



DEPARTMENT OF PERSONNEL AND ADMINISTRATION 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: centralized computer services; 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; oversight of the telecommunications system including the multiuse network (MNT); 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. The number of state employees affects other 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 chart provides a comparison of the number of paychecks issued to the number of FTE appropriated statewide. This chart *excludes* all employees in the Department of Higher Education.

State Employees	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
Number of Paychecks for Classified Employees	22,555	22,762	22,998	23,089	23,988
Number of Paychecks for Non-Classified Employees	4,885	4,612	4,829	4,985	5,423

State Employees	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
Total Number of Paychecks ⁽¹⁾	27,440	27,374	27,827	28,074	29,411
Total Number of FTE Appropriated by the General Assembly ⁽²⁾	27,403.9	28,351.4	28,536.4	29,106.7	30,197.1

⁽¹⁾ The FY 07-08 number was taken from the November 15, 2007, *Consolidated Paycheck Report* submitted by the State Controller's Office.

⁽²⁾ As of July 1st 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 03-04	Actual FY 04-05	Actual FY 05-06	Appropriated FY 06-07	Appropriated FY 07-08
Health, Life, and Dental*	43,714,449	54,433,636	57,920,924	82,271,141	101,902,121
Salary Survey and Anniversary/ Performance-based Pay*	211,340	39,694,946	39,694,946	40,161,337	70,899,803
Workers' Compensation	30,157,471	27,478,224	26,517,136	30,305,844	30,305,844
Property and Liability	<u>14,742,793</u>	<u>12,188,054</u>	<u>11,089,972</u>	<u>17,151,395</u>	<u>16,930,857</u>
TOTAL - Statewide	\$88,826,053	\$133,794,860	\$135,222,978	\$169,889,717	\$220,038,625

* 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. 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.

Fiscal Year	Actual FY 03-04	Actual FY 04-05	Actual FY 05-06	Actual FY 06-07*	Appropriated FY 07-08
Number of Fleet Vehicles	5,567	5,569	5,109	5,457	5,526
Total Cost of Fleet Vehicles (Includes Vehicle Leases, Maintenance, and Fuel)	\$27,336,458	\$27,476,106	\$28,297,237	\$30,226,116	\$31,726,309
<i>Staff Estimated Net General Fund Share of Vehicle Costs</i>	\$11,149,336	\$11,208,086	\$11,828,187	\$12,392,708	\$13,007,787

* 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 used by the Department of Transportation for construction or maintenance.

Summary of Major Legislation

- ✓ **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. 07-86 (Kopp/Balmer):** Creates a five-member commission in the Department of Personnel and Administration to oversee the design and construction of war memorials. The war memorials will be erected near the Colorado Veterans Monument in Lincoln Park to honor the lives of Coloradans who died during specific military conflicts. Creates the Fallen Heroes Memorial Construction Fund in the state Treasury. The five-member commission is authorized to solicit and accept gifts, grants, and donations for the design and construction of the war memorials. The bill contains a repealer clause effective July 1 of the year that the war memorials are erected. For FY 2007-08, appropriates \$13,225 cash funds exempt and 0.3 FTE from the Fallen Heroes Memorial Construction Fund to the Department of Personnel and Administration, Division of Central Services, for provision of support to the commission.
- ✓ **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. 05-1286 (Cadman/Grossman):** Repeals the sunset of the Department's ability to charge other state agencies for the operations and maintenance of the public safety communications infrastructure. This infrastructure includes the digital trunked radio project as well as legacy microwave communications systems.
- ✓ **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.

Funding Changes FY 2006-07 to FY 2007-08

Action (Source)	General Fund	Other Funds	Total Funds	Total FTE
S.B. 07-239 Funding Changes				
Salary and Benefits Adjustments	\$367,218	\$1,056,421 Indirect costs and agencies' transfers	\$1,423,639	0.0
State Vehicle Fleet Costs	\$0	\$1,125,972 Transfers	\$1,125,972	0.0
Annualize FY 06-07 Salary Awards	\$174,509	\$673,652 Transfers	\$848,161	0.0
Multiuse Network (MNT) Costs	\$0	\$542,815 Transfers	\$542,815	0.0
Collections Services Staff and Collection Agency Fees	\$0	\$423,300 Collection fees	\$423,300	3.0
Retirement and Risk Programs Audits	\$0	\$223,120 Transfers	\$223,120	0.0
Risk Management Legal Expenses	\$0	\$135,724 Transfers	\$135,724	0.0
Central Services Realignment of Resources, Leased Space, and Additional Staff	\$22,976	\$34,843 Transfers	\$57,819	18.3
Administrative Courts Legal Files Case Management	\$0	\$14,325 Transfers	\$14,325	0.0
Adjustments to Centrally Appropriated Items (Including (\$1.3 million reduction to DPA GGCC costs)	(\$1,019,546)	(\$291,954) Transfers	(\$1,311,500)	0.0
Property Premiums	\$0	(\$220,538) Transfers	(\$220,538)	0.0
Statewide Indirect Cost Assessment (General Fund Increase to Personnel Board and Finance and Procurement)	\$1,203,782	(\$1,418,397) Indirect costs from other agencies	(\$214,615)	0.0
Other Adjustments	(\$6,262)	(\$202,899)	(\$209,161)	0.0
Personal Services Base Reduction	(\$20,567)	(\$162,238)	(\$182,805)	0.0
Total S.B. 07-239 Changes	\$722,110	\$1,934,146	\$2,656,256	21.3

Funding Changes FY 2006-07 to FY 2007-08 (Continued)

Action (Source)	General Fund	Other Funds	Total Funds	Total FTE
Special Bills				
S.B. 07-97	\$0	\$1,000,000	\$1,000,000	0.0
S.B. 07-228	\$361,897	\$0	\$361,897	2.0
H.B. 07-1335	\$100,135	\$160,000	\$260,135	0.5
S.B. 07-210	\$219,996	\$0	\$219,996	1.8
S.B. 07-86	\$0	\$13,225	\$13,225	0.3
S.B. 07-258	\$0	\$3,502	\$3,502	0.0
H.B. 07-1359	\$0	(\$229,201)	(\$229,201)	0.0
H.B. 06S-1015	(\$93,750)	\$0	(\$93,750)	0.0
Total Special Bills	\$588,278	\$947,526	\$1,535,804	4.6
Grand Total Funding Changes	\$1,310,388	\$2,881,672	\$4,192,060	25.9

**FY 2008-09 JBC BUDGET BRIEFING
DEPARTMENT OF PERSONNEL AND ADMINISTRATION
DECISION ITEMS**

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	Total	FTE
1	<p>Division of Information Technology (DoIT), Information and Archival Services, Personal Services</p> <p>State Archives refinance of CFE revenues with CF revenues and General Fund supplement.</p> <p><i>[Statutory authority under Sections 24-80-101 through 113, C.R.S.]</i></p>	\$50,245	\$15,142	(\$33,152)	\$32,235	0.0
			<i>State Archives and Public Records Cash Fund (Section 24-80-102 (10), C.R.S.) user fees from non-state agencies.</i>	<i>State Archives and Public Records Cash Fund (Section 24-80-102 (10), C.R.S.) user fees from state agencies.</i>		
2	<p>Executive Director's Office, Health Insurance Portability and Accountability Act of 1996 - Security Remediation</p> <p>This Decision Item seeks an ongoing bi-annual base increase to perform a bi-annual risk assessment in order to maintain compliance with HIPAA security rules. The objective of the assessment is to verify that the Department's IT systems and processes protect critical data and systems from potential harm , misuse, or unauthorized access.</p> <p><i>[Statutory authority under Section 24-50-104.5, C.R.S.]</i> <i>[Federal Authority under 45 CFR 164.308 (a)(1)(i) and (ii)(A) 2003]</i></p>	\$0	\$0	\$35,000	\$35,000	0.0
				<i>Computer Services Revolving Fund (Section 24-30-1606 (2), C.R.S.) user fees from state agencies.</i>		

**FY 2008-09 JBC BUDGET BRIEFING
DEPARTMENT OF PERSONNEL AND ADMINISTRATION
DECISION ITEMS**

Priority	Division: Description [Statutory Authority]	GF	CF	CFE	Total	FTE
3	<p>Central Services, Facilities Maintenance, Capitol Complex Facilities, Grand Junction State Services Building, Camp George West</p> <p>Move the Grand Junction State Services Building and Camp George West personal services (2.0 FTE and \$113,447 CFE) and operating expenses (\$5,130 CF and \$193,845 CFE) line items into the Capitol Complex Facilities personal services and operating expenses line .</p> <p>[Statutory authority under Sections 24-80-101 and 102 , C.R.S.]</p>	\$0	\$0	\$0	\$0	0.0
			<i>Personnel Revolving Fund (Section 24-30-1108, C.R.S.) user fees from non-state agencies and enterprises within other state agencies.</i>	<i>Personnel Revolving Fund (Section 24-30-1108, C.R.S.) user fees from other state agencies.</i>		
TOTAL Prioritized Request		\$50,245	\$15,142	\$1,848	\$67,235	0.0
1 Statewide	<p>Executive Director's Office, Vehicle Lease Payments; Central Services, Fleet Management Program and Motor Pool Services, Vehicle Replacement</p> <p>Purchase a total of 955 fleet vehicles (including 200 vehicles for Department of Public Safety) to replace existing state fleet vehicles that meet replacement criteria. Staff is also aware of 84 additional vehicles that individual agencies are requesting through decision .</p> <p>[Statutory authority under Section 24-30-1104 (2)(a) and (c)(1) C.R.S.]</p>	\$0	\$0	(\$458,482)	(\$458,482)	0.0
			<i>Motor fleet management fund (Section 24-30-1115 (1), C.R.S.) transfers from enterprises within other state agencies.</i>	<i>Motor fleet management fund (Section 24-30-1115 (1), C.R.S.) transfers from other state agencies.</i>		
2 Statewide	<p>Executive Director's Office, Multiuse Network Payments</p> <p>Realignment of agency costs to use MNT infrastructure based on updated circuit inventories, agencies' share of infrastructure components, and recoverable costs.</p> <p>[Statutory authority under Section 24-30-903 (1), (3), and (7), C.R.S.]</p>	\$0	\$0	\$4,950	\$4,950	0.0
				<i>Telecommunications Revolving Fund (Section 24-30-908 (1), C.R.S.) transfers from other state agencies.</i>		

**FY 2008-09 JBC BUDGET BRIEFING
DEPARTMENT OF PERSONNEL AND ADMINISTRATION
DECISION ITEMS**

Priority	Division: Description [Statutory Authority]	GF	CF	CFE	Total	FTE
3 Statewide	<p>Executive Director's Office, AED, SAED, and Workers' Compensation; and Division of Human Resources, Human Resource Services, Colorado State Employees Assistance Program, Personal Services and Operating Expenses</p> <p>Funding for 5.5 FTE for additional C-SEAP staff.</p> <p><i>[Statutory authority under Section 24-50-604 (1)(k)(I), C.R.S.]</i></p>	\$0	\$0	\$361,133	\$361,133	5.5
				<i>State Employees Workers' Compensation Account (Section 24-30-1510.7, C.R.S.) transfers from other state agencies.</i>		
	TOTAL Statewide Request	\$0	\$0	(\$92,399)	(\$92,399)	5.5
Non-Prioritized	<p>Division of Information Technology</p> <p>The Office of the Governor has a FY 09 Decision Item #2 "Implement Governor's Office Cyber-Security Recommendations". The Office of the Governor requests \$149,880 General Fund to implement this decision item. The decision item states that the funding will be used to pay the Division of Information Technology, within the Department of Personnel, to administer the Governor's Office information network. The Department of Personnel did not include a Schedule 13 for this decision item with its November 1, 2008, budget submission. Staff was informed that a Budget Amendment will be submitted during January 2008 to request the corresponding cash funds exempt spending authority in</p>	\$0	\$0	\$0	\$0	0.0
	TOTAL Non-prioritized Request	\$0	\$0	\$0	\$0	0.0
	TOTAL REQUEST	\$50,245	\$15,142	(\$90,551)	(\$25,164)	5.5

**FY 2008-09 JBC BUDGET BRIEFING
DEPARTMENT OF PERSONNEL
OVERVIEW OF NUMBERS PAGES**

The following table highlights the changes contained in the Department's FY 2008-09 request.

Division	GF	CF	CFE	Total	FTE
Executive Director's Office	\$450,852	(\$1,400)	\$706,870	\$1,156,322	0.0
Personal Services, Pots, and Benefits	363,054	(2,257)	333,617	694,414	0.0
DPA Provided Central Services	169,529	857	142,532	312,918	0.0
Leased Space (includes FY 08 DI #2)	0	0	194,250	194,250	0.0
DI #2: HIPAA Risk Assessment	0	0	35,000	35,000	0.0
SDI #3: C-SEAP FTE	0	0	9,814	9,814	0.0
SDI #2: MNT DPA Share	0	0	4,950	4,950	0.0
SDI #1: Fleet Vehicle Replacements	0	0	(15,322)	(15,322)	0.0
Legal Services (S.B. 07-210) and ALJs	(81,731)	0	2,029	(79,702)	0.0
Division of Human Resources	(7,752)	557,324	6,430,275	6,979,847	5.5
Property Premiums	0	250,800	3,019,842	3,270,642	0.0
Workers' Compensation	0	289,993	2,090,946	2,380,939	0.0
S.B. 07-97 Suppl. State Contribution	0	0	729,201	729,201	0.0
SDI #3: C-SEAP FTE	0	0	351,319	351,319	5.5
Indirect Cost Assessment	0	0	243,924	243,924	0.0
Liability Premiums	0	16,531	227,364	243,895	0.0
Personal Services and H.B. 07-1335 GF Operating Reduction	(7,752)	0	150,799	143,047	0.0
Audits (Retirement and Risk)	0	0	(223,120)	(223,120)	0.0
H.B. 07-1335 Pilot Disease Mgmt. Study	0	0	(160,000)	(160,000)	0.0
Personnel Board	20,563	0	0	20,563	0.0
Personal Services	20,563	0	0	20,563	0.0
Central Services	0	0	(632,024)	(632,024)	0.0
Personal Services (including DI #3)	0	0	419,469	419,469	2.0
Cap. Complex Operating (DI #3)	0	0	198,975	198,975	0.0

Division	GF	CF	CFE	Total	FTE
Mail Svcs. FY 08 DI #2 IDF Realignment	0	0	(100,750)	(100,750)	0.0
DI #3: Consolidate Cap. Complex	0	0	(308,876)	(308,876)	(2.0)
Indirect Cost Assessment	0	0	(397,682)	(397,682)	0.0
SDI #1: Fleet Vehicle Replacements	0	0	(443,160)	(443,160)	0.0
Finance and Procurement	153,674	29,722	50,227	233,623	0.0
Personal Services	156,554	29,722	(1,810)	184,466	0.0
Indirect Cost Assessment	0	0	52,037	52,037	0.0
Operating Expenses (S.B. 07-228)	(2,880)	0	0	(2,880)	0.0
Information Technology (DoIT)	210,936	15,142	671,593	897,671	0.0
Personal Services	128,696	0	395,145	523,841	0.0
Indirect Cost Assessment	0	0	309,600	309,600	0.0
DI #1: State Archives Refinance	50,245	15,142	(33,152)	32,235	0.0
Operating Expenses (S.B. 07-228)	31,995	0	0	31,995	0.0
Administrative Courts	(6,010)	0	137,418	131,408	0.0
Personal Services	0	0	112,759	112,759	0.0
Indirect Cost Assessment	0	0	23,941	23,941	0.0
Operating Expenses (Various)	(6,010)	0	718	(5,292)	0.0
Total Department Change	\$ 822,263	\$ 600,788	\$ 7,364,359	\$ 8,787,410	5.5

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 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 cash funds exempt are from indirect cost recoveries from other divisions throughout the Department and from user fees from other state agencies.

Personal Services	1,547,223	1,601,478	1,648,595	1,724,974	
FTE	<u>19.3</u>	<u>18.5</u>	<u>21.5</u>	<u>21.5</u>	
Cash Funds Exempts	1,547,223	1,601,478	1,648,595	1,724,974	
Health, Life, and Dental	<u>1,100,248</u>	<u>1,665,725</u>	<u>2,317,727</u>	<u>2,528,567</u>	
General Fund	317,014	479,246	631,543	689,539	
Cash Funds	0	9,096	67,089	63,562	
Cash Funds Exempt	783,234	1,177,383	1,619,095	1,775,466	
Short-term Disability	<u>37,728</u>	<u>31,206</u>	<u>39,612</u>	<u>42,848</u>	
General Fund	7,283	6,043	4,279	14,371	
Cash Funds	596	965	1,662	1,101	
Cash Funds Exempt	29,849	24,198	33,671	27,376	
S.B. 04-257 Amortization Equalization Disbursement	<u>59,404</u>	<u>149,831</u>	<u>364,552</u>	<u>531,898</u>	
General Fund	12,562	42,825	38,404	176,869	
Cash Funds	1,657	9,368	15,339	13,552	
Cash Funds Exempt	45,185	97,638	310,809	341,477	SDI #3: C-SEAP FTE
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>74,808</u>	<u>170,919</u>	
General Fund	0	0	6,858	71,818	
Cash Funds	0	0	3,196	2,686	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Cash Funds Exempt	0	0	64,754	96,415	SDI #3: C-SEAP FTE
Salary Survey and Senior Executive Service	<u>903,959</u>	<u>848,161</u>	<u>1,013,184</u>	<u>1,191,312</u>	
General Fund	306,953	284,213	351,591	441,333	
Cash Funds	0	4,537	26,548	30,775	
Cash Funds Exempt	597,006	559,411	635,045	719,204	
Performance-based Pay	<u>0</u>	<u>0</u>	<u>452,094</u>	<u>506,697</u>	
General Fund	0	0	147,659	170,326	
Cash Funds	0	0	12,622	13,048	
Cash Funds Exempt	0	0	291,813	323,323	
Shift Differential - Cash Funds Exempt	36,064	36,064	77,436	83,246	
Workers' Compensation	<u>235,128</u>	<u>235,128</u>	<u>391,999</u>	<u>300,226</u>	
General Fund	60,484	60,484	100,837	76,421	
Cash Funds	1,301	1,301	2,168	1,643	
Cash Funds Exempt	173,343	173,343	288,994	222,162	SDI #3: C-SEAP FTE
Operating Expenses	<u>99,841</u>	<u>99,657</u>	<u>99,842</u>	<u>99,842</u>	
Cash Funds Exempt	99,841	99,657	99,842	99,842	
Legal Services	192,345	249,783	369,193	287,462	
Hours	<u>2,984</u>	<u>3,686</u>	<u>5,126</u>	<u>3,991</u>	
General Fund	167,552	202,194	324,182	242,451	a/
Cash Funds Exempt	24,793	47,589	45,011	45,011	
Administrative Law Judge Services - Cash Funds Exempt	<u>2,440</u>	<u>582</u>	<u>428</u>	<u>2,457</u>	
General Fund	2,440	0	0	0	
Cash Funds Exempt	0	582	428	2,457	
Purchase of Services from Computer Center	<u>1,230,591</u>	<u>3,857,882</u>	<u>2,554,882</u>	<u>2,717,039</u>	
General Fund	1,019,111	2,995,195	1,972,624	2,097,826	
Cash Funds Exempt	211,480	862,687	582,258	619,213	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Multiuse Network Payments - Cash Funds Exempt	89,936	36,257	41,251	46,201	SDI #2: MNT
Payment to Risk Management and Property Funds	<u>395,721</u>	<u>1,068,603</u>	<u>861,746</u>	<u>1,016,431</u>	
General Fund	101,795	274,885	221,674	261,464	
Cash Funds	2,189	5,910	4,766	5,623	
Cash Funds Exempt	291,737	787,808	635,306	749,344	
Vehicle Lease Payments	<u>110,215</u>	<u>124,538</u>	<u>160,341</u>	<u>145,019</u>	
General Fund	272	174	2,910	2,910	
Cash Funds Exempt	109,943	124,364	157,431	142,109	SDI #1: Fleet Vehicle Replacements
Leased Space	<u>1,159,374</u>	<u>1,189,812</u>	<u>1,453,054</u>	<u>1,647,304</u>	
General Fund	447,765	459,521	482,497	482,497	
Cash Funds	15,928	16,346	17,163	17,163	
Cash Funds Exempt	695,681	713,945	953,394	1,147,644	
Capitol Complex Leased Space	<u>1,037,901</u>	<u>1,153,033</u>	<u>1,189,460</u>	<u>1,185,786</u>	
General Fund	484,085	539,826	568,662	573,449	
Cash Funds Exempt	553,816	613,207	620,798	612,337	
Communications Services Payments	<u>4,881</u>	<u>390</u>	<u>1,149</u>	<u>899</u>	
General Fund	1,541	390	1,149	899	
Cash Funds Exempt	3,340	0	0	0	
Test Facility Lease - General Fund	116,475	116,475	119,842	119,842	
Employment Security Contract Payment	<u>17,400</u>	<u>17,233</u>	<u>17,400</u>	<u>17,400</u>	
General Fund	10,889	10,722	10,889	10,889	
Cash Funds Exempt	6,511	6,511	6,511	6,511	
Employees Emeritus Retirement - General Fund	9,918	9,379	11,370	11,370	
HIPAA - Security Remediation	182,030	210,823	189,257	227,805	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
FTE	<u>2.0</u>	<u>1.6</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	63,542	67,508	71,247	74,795	
Cash Funds Exempt	118,488	143,315	118,010	153,010	DI #2: HIPAA Risk Assessment
Governor's Transition - General Fund	0	10,000	0	0	Request vs. Appropriation
TOTAL - (1) EXECUTIVE OFFICE	8,568,822	12,712,040	13,449,222	14,605,544	8.6%
FTE	<u>21.3</u>	<u>20.1</u>	<u>23.5</u>	<u>23.5</u>	<u>0.0</u>
General Fund	3,129,681	5,559,080	5,068,217	5,519,069	8.9%
Cash Funds	21,671	47,523	150,553	149,153	-0.9%
Cash Funds Exempt	5,417,470	7,105,437	8,230,452	8,937,322	8.6%

a/ Appropriation for FY 2007-08 contains \$121,986 General Fund for S.B. 07-210. The Department is requesting \$40,255 for FY 2008-09.

(2) DIVISION OF HUMAN RESOURCES

This division is responsible for the administration of the statewide classified personnel system, which includes approximately 27,700 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	1,761,261	1,924,012	1,964,350	2,039,876	
FTE	<u>22.1</u>	<u>24.7</u>	<u>27.2</u>	<u>27.2</u>	
Cash Funds Exempt	1,761,261	1,924,012	1,964,350	2,039,876	
Operating Expenses - Cash Funds Exempt	88,458	87,969	88,462	88,462	

(2) Training Services

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Personal Services	16,580	42,942	61,811	61,811	
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	6,827	25,572	25,444	25,444	
Cash Funds Exempt	9,753	17,370	36,367	36,367	
Operating Expenses - Cash Funds Exempt	10,523	12,880	17,169	17,169	
Indirect Cost Assessment - Cash Funds Exempt	30,868	31,309	35,034	0	
(3) Colorado State Employees Assistance Program					
Personal Services - Cash Funds Exempt	278,995	288,732	298,474	634,834	SDI #3: C-SEAP FTE
FTE	4.4	4.4	4.5	10.0	
Operating Expenses - Cash Funds Exempt	37,050	35,610	37,233	71,828	SDI #3: C-SEAP FTE
Indirect Cost Assessment - Cash Funds Exempt	55,592	50,698	63,788	162,295	
					Request vs. Appropriation
(2) DIVISION OF HUMAN RESOURCES					
Subtotal - (A) Human Resource Services Section	2,279,327	2,474,152	2,566,321	3,076,275	19.9%
FTE	<u>26.5</u>	<u>29.1</u>	<u>32.7</u>	<u>38.2</u>	<u>5.5</u>
Cash Funds	6,827	25,572	25,444	25,444	0.0%
Cash Funds Exempt	2,272,500	2,448,580	2,540,877	3,050,831	20.1%
(2) DIVISION OF HUMAN RESOURCES					
(B) Employee Benefits Services					
Personal Services	824,436	821,620	927,385	954,156	
FTE	<u>11.0</u>	<u>10.3</u>	<u>12.5</u>	<u>12.5</u>	
General Fund	0	0	21,883	21,883	
Cash Funds Exempt	824,436	821,620	905,502	932,273	
Operating Expenses	<u>42,624</u>	<u>47,776</u>	<u>130,477</u>	<u>122,725</u>	
General Fund	0	0	78,252	70,500	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
	Actual	Actual	Appropriation	Request	Change Request
Cash Funds Exempt	42,624	47,776	52,225	52,225	
Utilization Review - Cash Funds Exempt	26,478	40,000	40,000	40,000	
Deferred Compensation Plans - Cash Funds Exempt	52,029	78,827	84,500	84,500	
Deferred Compensation Administration (TPA) - Cash Funds Exempt	614,308	601,546	682,000	682,000	
Defined Contribution Plans - Cash Funds Exempt	10,110	11,209	11,226	11,226	
Deferred Compensation Plan and Defined Contribution Plans Performance Audits - Cash Funds Exempt	0	0	160,000	0	
H.B. 07-1335 Pilot Disease Management Program - CFE	0	0	160,000	0	
S.B. 07-97 Supplemental State Contribution Fund - CFE ¹	0	0	770,799	1,500,000	
Indirect Cost Assessment - Cash Funds Exempt	101,576	119,766	98,315	210,609	
					Request vs. Appropriation
(2) DIVISION OF HUMAN RESOURCES					
Subtotal - (B) Employee Benefits Services	1,671,561	1,720,744	3,064,702	3,605,216	17.6%
FTE	<u>11.0</u>	<u>10.3</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>
General Fund	0	0	100,135	92,383	-7.7%
Cash Funds Exempt	1,671,561	1,720,744	2,964,567	3,512,833	18.5%

¹ 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 - Cash Funds Exempt	568,438	579,219	605,973	634,839	
FTE	8.2	8.0	9.0	9.0	
Operating Expenses - Cash Funds Exempt	49,989	50,563	57,104	57,104	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
	Actual	Actual	Appropriation	Request	Change Request
Audit Expense - Cash Funds Exempt	0	0	63,120	0	
Legal Services - Cash Funds Exempt	2,459,639	2,415,921	2,294,876	2,294,876	
Hours	38,164	35,649	31,860	31,860	
Liability Premiums	<u>5,271,058</u>	<u>4,540,332</u>	<u>8,345,546</u>	<u>8,589,441</u>	
Cash Funds	357,276	307,746	565,666	582,197	
Cash Funds Exempt	4,913,782	4,232,586	7,779,880	8,007,244	
Property Premiums	<u>5,818,914</u>	<u>6,556,767</u>	<u>8,585,311</u>	<u>11,855,953</u>	
Cash Funds	446,206	502,785	658,338	909,138	
Cash Funds Exempt	5,372,708	6,053,982	7,926,973	10,946,815	
Workers' Compensation Premiums	<u>26,517,136</u>	<u>30,254,216</u>	<u>30,305,844</u>	<u>32,686,783</u>	
Cash Funds	3,229,716	3,639,542	3,691,170	3,981,163	
Cash Funds Exempt	23,287,420	26,614,674	26,614,674	28,705,620	
Indirect Cost Assessment - Cash Funds Exempt	111,768	139,450	137,080	205,237	
					Request vs. Appropriation
(2) DIVISION OF HUMAN RESOURCES					
Subtotal - (C) Risk Management Services	40,796,942	44,536,468	50,394,854	56,324,233	11.8%
FTE	<u>8.2</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
Cash Funds	4,033,198	4,450,073	4,915,174	5,472,498	11.3%
Cash Funds Exempt	36,763,744	40,086,395	45,479,680	50,851,735	11.8%
TOTAL - (2) DIVISION OF HUMAN RESOURCES	44,747,830	48,731,364	56,025,877	63,005,724	12.5%
FTE	<u>45.7</u>	<u>47.4</u>	<u>54.2</u>	<u>59.7</u>	<u>5.5</u>
General Fund	0	0	100,135	92,383	-7.7%
Cash Funds	4,040,025	4,475,645	4,940,618	5,497,942	11.3%
Cash Funds Exempt	40,707,805	44,255,719	50,985,124	57,415,399	12.6%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
(3) PERSONNEL BOARD					
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	400,948	426,649	437,357	457,920	
FTE	<u>4.7</u>	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	230,922	20,585	227,902	248,465	
Cash Funds	680	488	1,196	1,196	
Cash Funds Exempt	169,346	405,576	208,259	208,259	
Operating Expenses	<u>29,032</u>	<u>29,033</u>	<u>29,033</u>	<u>29,033</u>	
General Fund	29,032	0	27,474	27,474	
Cash Funds Exempt	0	29,033	1,559	1,559	
					Request vs. Appropriation
TOTAL - (3) PERSONNEL BOARD	429,980	455,682	466,390	486,953	4.4%
FTE	<u>4.7</u>	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>0.0</u>
General Fund	259,954	20,585	255,376	275,939	8.1%
Cash Funds	680	488	1,196	1,196	0.0%
Cash Funds Exempt	169,346	434,609	209,818	209,818	0.0%

(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

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Personal Services - CFE	618,692	679,190	695,491	721,195	
FTE	8.5	9.4	10.0	10.0	
Operating Expenses	77,411	70,832	77,427	77,427	
Indirect Cost Assessment	120,130	118,539	84,219	52,406	Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (A) Administration	816,233	868,561	857,137	851,028	-0.7%
FTE	<u>8.5</u>	<u>9.4</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
Cash Funds	42,773	36,187	42,782	42,782	0.0%
Cash Funds Exempt	773,460	832,374	814,355	808,246	-0.8%
(4) CENTRAL SERVICES					
(B) Integrated Document Factory					
(1) Reprographic Services					
Personal Services	1,129,722	1,157,128	1,179,949	1,219,066	
FTE	22.8	21.8	24.6	24.6	
Operating Expenses	2,202,283	1,991,462	2,404,752	2,404,752	
Indirect Cost Assessment	183,917	237,079	232,704	169,705	Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (B) Integrated Document Factory (1) Reprographics Services	3,515,922	3,385,669	3,817,405	3,793,523	-0.6%
FTE	<u>22.8</u>	<u>21.8</u>	<u>24.6</u>	<u>24.6</u>	<u>0.0</u>
Cash Funds	292,101	263,935	305,456	305,456	0.0%
Cash Funds Exempt	3,223,821	3,121,734	3,511,949	3,488,067	-0.7%

(2) Document Solutions Group^{a/}

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Personal Services	2,376,810	2,703,278	2,628,267	2,698,675	
FTE	46.7	45.4	60.0	60.0	
Operating Expenses	319,750	249,720	404,846	404,846	
Utilities	19,936	27,889	58,800	69,000	
Indirect Cost Assessment	158,898	197,566	169,477	136,708	
					Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (B) Integrated Document Factory (2) Document Solutions Group					
	2,875,394	3,178,453	3,261,390	3,309,229	1.5%
FTE	<u>46.7</u>	<u>45.4</u>	<u>60.0</u>	<u>60.0</u>	<u>0.0</u>
Cash Funds	35,906	28,042	35,917	35,917	0.0%
Cash Funds Exempt	2,839,488	3,150,411	3,225,473	3,273,312	1.5%
(3) Mail Services					
Personal Services	1,124,715	1,127,966	1,230,252	1,266,023	
FTE	28.5	29.6	36.0	36.0	
Operating Expenses	6,026,247	5,836,180	6,788,394	6,677,444	
Indirect Cost Assessment	315,413	355,618	276,199	237,215	
					Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (B) Integrated Document Factory (3) Mail Services					
	7,466,375	7,319,764	8,294,845	8,180,682	-1.4%
FTE	<u>28.5</u>	<u>29.6</u>	<u>36.0</u>	<u>36.0</u>	<u>0.0</u>
Cash Funds	579,156	555,400	697,515	697,515	0.0%
Cash Funds Exempt	6,887,219	6,764,364	7,597,330	7,483,167	-1.5%

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (B) Integrated Document Factory	13,857,691	13,883,886	15,373,640	15,283,434	-0.6%
FTE	<u>98.0</u>	<u>96.8</u>	<u>120.6</u>	<u>120.6</u>	<u>0.0</u>
Cash Funds	907,163	847,377	1,038,888	1,038,888	0.0%
Cash Funds Exempt	12,950,528	13,036,509	14,334,752	14,244,546	-0.6%

a/ 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.

(4) CENTRAL SERVICES

(C) Fleet Management and Motor Pool Services

Personal Services	761,898	777,713	799,562	831,166	
FTE	15.0	14.9	16.0	16.0	
Operating Expenses	16,792,626	17,746,418	18,515,691	18,515,691	
Vehicle Replacement Lease, Purchase or Lease/Purchase	11,504,611	12,479,698	13,210,618	12,767,458	SDI #1: Fleet Vehicle Replacements
Indirect Cost Assessment	610,215	632,210	430,448	302,858	
					Request vs. Appropriation

(4) CENTRAL SERVICES

Subtotal - (C) Fleet Management and Motor Pool Services

Subtotal - (C) Fleet Management and Motor Pool Services	29,669,350	31,636,039	32,956,319	32,417,173	-1.6%
FTE	<u>15.0</u>	<u>14.9</u>	<u>16.0</u>	<u>16.0</u>	<u>0.0</u>
Cash Funds	1,691,364	1,847,561	1,948,015	1,948,015	0.0%
Cash Funds Exempt	27,977,986	29,788,478	31,008,304	30,469,158	-1.7%

(4) CENTRAL SERVICES

(D) Facilities Maintenance

(1) Capitol Complex Facilities

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Personal Services	2,496,457	2,562,660	2,601,617	2,807,638	DI #3: Capitol Complex
FTE	52.2	49.8	53.2	55.2	Facilities Consolidation
Operating Expenses	1,637,396	1,606,275	1,637,466	1,836,441	DI #3: Capitol Complex
Capitol Complex Repairs	56,520	56,392	56,520	56,520	Facilities Consolidation
Capitol Complex Security	260,379	260,379	289,484	289,484	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CFE	0	0	13,225	24,069	
FTE	0.0	0.0	0.3	0.3	
Utilities	3,199,683	3,567,010	3,742,802	3,742,802	
Indirect Cost Assessment	311,204	434,644	377,456	273,929	
					Request vs.
					Appropriation
(4) CENTRAL SERVICES					
Subtotal - (D) Facilities Maintenance (1) Capitol Complex Facilities					
- Cash Funds Exempt	7,961,639	8,487,360	8,718,570	9,030,883	3.6%
FTE	52.2	49.8	53.5	55.5	2.0
(2) Grand Junction State Services Building					
Personal Services	41,941	44,696	45,336	0	DI #3: Capitol Complex
FTE	1.0	1.1	1.0	0.0	Facilities Consolidation
Operating Expenses	75,692	76,469	76,873	0	DI #3: Capitol Complex
Utilities	85,758	87,554	87,554	87,554	Facilities Consolidation
					Request vs.
					Appropriation
(4) CENTRAL SERVICES					

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
Subtotal - (D) Facilities Maintenance (2) Grand Junction State					
Services Building	203,391	208,719	209,763	87,554	-58.3%
FTE	<u>1.0</u>	<u>1.1</u>	<u>1.0</u>	<u>0.0</u>	<u>(1.0)</u>
Cash Funds	5,051	5,103	5,130	5,130	0.0%
Cash Funds Exempt	198,340	203,616	204,633	82,424	-59.7%
(3) Camp George West					
Personal Services	59,733	61,571	64,565	0	DI #3: Capitol Complex Facilities Consolidation
FTE	1.0	1.1	1.0	0.0	
Operating Expenses	163,978	165,303	122,102	0	DI #3: Capitol Complex Facilities Consolidation
Utilities	409,079	383,485	434,350	434,350	Request vs. Appropriation
(4) CENTRAL SERVICES					
Subtotal - (D) Facilities Maintenance (3) Camp George West					
	632,790	610,359	621,017	434,350	-30.1%
FTE	<u>1.0</u>	<u>1.1</u>	<u>1.0</u>	<u>0.0</u>	<u>(1.0)</u>
Cash Funds	46,843	48,950	48,950	48,950	0.0%
Cash Funds Exempt	585,947	561,409	572,067	385,400	-32.6%
(4) CENTRAL SERVICES					
Subtotal - (D) Facilities Maintenance					
	8,797,820	9,306,438	9,549,350	9,552,787	0.0%
FTE	<u>54.2</u>	<u>52.0</u>	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Cash Funds	51,894	54,053	54,080	54,080	0.0%
Cash Funds Exempt	8,745,926	9,252,385	9,495,270	9,498,707	0.0%
TOTAL - (4) CENTRAL SERVICES					
	53,141,094	55,694,924	58,736,446	58,104,422	-1.1%
FTE	<u>175.7</u>	<u>173.1</u>	<u>202.1</u>	<u>202.1</u>	<u>0.0</u>

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Cash Funds	2,693,194	2,785,178	3,083,765	3,083,765	0.0%
Cash Funds Exempt	50,447,900	52,909,746	55,652,681	55,020,657	-1.1%

(5) FINANCE AND PROCUREMENT

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. The cash fund source is the Supplier Database Cash Fund pursuant to Section 24-102-202.5, C.R.S. The division also receives cash exempt funds from rebates associated with the Procurement Card Program.

(A) State Controller's Office and Procurement Services

Personal Services	2,685,433	2,916,277	3,012,116	3,148,694	
FTE	<u>34.2</u>	<u>39.2</u>	<u>36.5</u>	<u>36.5</u>	
General Fund	736,958	70,649	761,602 a/	898,180	
Cash Funds	0	409,082	0	0	
Cash Funds Exempt	1,948,475	2,436,546	2,250,514	2,250,514	
Operating Expenses	<u>137,351</u>	<u>135,302</u>	<u>145,556</u>	<u>142,676</u>	
General Fund	137,351	0	145,556 a/	142,676	
Cash Funds	0	135,302	0	0	
					Request vs. Appropriation

(5) FINANCE AND PROCUREMENT

Subtotal - (A) State Controller's Office and Procurement Services	2,822,784	3,051,579	3,157,672	3,291,370	4.2%
FTE	<u>34.2</u>	<u>39.2</u>	<u>36.5</u>	<u>36.5</u>	<u>0.0</u>
General Fund	874,309	70,649	907,158	1,040,856	14.7%
Cash Funds	0	544,384	0	0	n/a
Cash Funds Exempt	1,948,475	2,436,546	2,250,514	2,250,514	0.0%

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 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
	Actual	Actual	Appropriation	Request	Change Request
(5) FINANCE AND PROCUREMENT					
(B) Supplier Database					
Personal Services - Cash Funds	168,863	178,715	182,337	191,037	
FTE	2.5	2.5	3.0	3.0	
Operating Expenses - Cash Funds	43,239	29,774	43,382	43,382	
					Request vs. Appropriation
(5) FINANCE AND PROCUREMENT					
Subtotal - (B) Supplier Database - Cash Funds	212,102	208,489	225,719	234,419	3.9%
FTE	2.5	2.5	3.0	3.0	0.0
(5) FINANCE AND PROCUREMENT					
(C) Collections Services					
Personal Services	751,960	771,948	874,777	903,004	
FTE	15.4	15.6	20.0	20.0	
Operating Expenses	329,557	300,610	358,100	349,085	
Collection of Debts Due to the State	20,702	0	20,702	20,702	
Private Collection Agency Fees	869,469	866,906	1,200,000	1,200,000	
Indirect Cost Assessment	165,820	172,089	208,569	260,606	
					Request vs. Appropriation
(5) FINANCE AND PROCUREMENT					
Subtotal - (C) Collections Services	2,137,508	2,111,553	2,662,148	2,733,397	2.7%
FTE	15.4	15.6	20.0	20.0	0.0
Cash Funds	1,125,539	1,073,348	1,323,490	1,344,512	1.6%
Cash Funds Exempt	1,011,969	1,038,205	1,338,658	1,388,885	3.8%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
(5) FINANCE AND PROCUREMENT					
(D) Real Estate Services Program					
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review					
FTE	492,913	505,064	514,170	534,146	
General Fund	<u>5.8</u>	<u>5.6</u>	<u>6.0</u>	<u>6.0</u>	
Cash Funds	492,913	248,308	514,170	534,146	
Cash Funds Exempt	0	134,673	0	0	
	0	122,083	0	0	
					Request vs. Appropriation
(5) FINANCE AND PROCUREMENT					
Subtotal - (D) Real Estate Services Program					
FTE	492,913	505,064	514,170	534,146	<u>3.9%</u>
General Fund	<u>5.8</u>	<u>5.6</u>	<u>6.0</u>	<u>6.0</u>	0.0
Cash Funds	492,913	248,308	514,170	534,146	3.9%
Cash Funds Exempt	0	134,673	0	0	n/a
	0	122,083	0	0	n/a
					Request vs. Appropriation
TOTAL - (5) FINANCE AND PROCUREMENT					
FTE	5,665,307	5,876,685	6,559,709	6,793,332	3.6%
General Fund	<u>57.9</u>	<u>62.9</u>	<u>65.5</u>	<u>65.5</u>	<u>0.0</u>
Cash Funds	1,367,222	318,957	1,421,328	1,575,002	10.8%
Cash Funds Exempt	1,337,641	1,960,894	1,549,209	1,578,931	1.9%
	2,960,444	3,596,834	3,589,172	3,639,399	1.4%

(6) DIVISION OF INFORMATION TECHNOLOGY

This division is responsible for the State's computer center, telecommunications network (which includes public safety and voice systems and the multi-use network) and supports all software applications that are used on a statewide basis for financial and human resources purposes and supports all departmental information technology applications including desktop and software support. It also manages the State's archival and historical records activities and manages the State's home page on the World

(A) Administration

Personal Services	377,995	390,674	400,483	420,851	
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	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
FTE	5.9	6.0	6.0	6.0	
Operating Expenses	6,270	6,245	6,450	6,450	Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (A) Administration - Cash Fund Exempt	384,265	396,919	406,933	427,301	5.0%
FTE	5.9	6.0	6.0	6.0	0.0
(6) DIVISION OF INFORMATION TECHNOLOGY					
(B) Customer Services					
Personal Services	848,472	864,218	888,231	919,690	
FTE	11.0	12.0	12.0	12.0	
Operating Expenses	11,108	13,217	14,625	14,625	Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (B) Customer Services - Cash Fund Exempt	859,580	877,435	902,856	934,315	3.5%
FTE	11.0	12.0	12.0	12.0	0.0
(6) DIVISION OF INFORMATION TECHNOLOGY					
(C) Order Billing					
Personal Services	597,104	626,656	641,024	664,114	
FTE	9.7	9.4	10.0	10.0	
Operating Expenses	8,459	10,750	10,750	10,750	Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (C) Order Billing - Cash Fund Exempt	605,563	637,406	651,774	674,864	3.5%
FTE	9.7	9.4	10.0	10.0	0.0

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
	Actual	Actual	Appropriation	Request	Change Request
(6) DIVISION OF INFORMATION TECHNOLOGY					
(D) Communications Services					
Personal Services	3,279,699	3,412,977	3,461,830	3,603,291	
FTE	40.5	44.5	46.0	46.0	
Operating Expenses	134,203	146,110	134,631	134,631	
Training	22,000	20,140	22,000	22,000	
Utilities	163,883	165,002	165,002	165,002	
Snocat Replacement	243,787	230,520	230,520	230,520	
Local Systems Development	136,408	173,775	121,000	121,000	
Indirect Cost Assessment	300,166	342,402	433,320	474,771	
					Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (D) Communications Services	4,280,146	4,490,926	4,568,303	4,751,215	4.0%
FTE	<u>40.5</u>	<u>44.5</u>	<u>46.0</u>	<u>46.0</u>	<u>0.0</u>
Cash Funds	442,622	449,248	448,350	448,350	0.0%
Cash Funds Exempt	3,701,116	3,867,903	3,998,953	4,181,865	4.6%
Federal Funds	136,408	173,775	121,000	121,000	0.0%
(6) DIVISION OF INFORMATION TECHNOLOGY					
(E) Network Services					
Personal Services	1,399,745	1,437,445	1,468,158	1,528,193	
FTE	16.4	15.5	17.0	17.0	
Operating Expenses	13,699,794	12,787,016	16,200,371	16,200,371	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
Toll-free Telephone Access to Members of the General Assembly	25,000	25,000	25,000	25,000	
Indirect Cost Assessment	444,707	0	46,410	202,616	Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (E) Network Services	15,569,246	14,249,461	17,739,939	17,956,180	1.2%
FTE	<u>16.4</u>	<u>15.5</u>	<u>17.0</u>	<u>17.0</u>	<u>0.0</u>
Cash Funds	1,618,933	1,522,249	1,864,215	1,864,215	0.0%
Cash Funds Exempt	13,950,313	12,727,212	15,875,724	16,091,965	1.4%
(6) DIVISION OF INFORMATION TECHNOLOGY					
(F) Computer Services					
Personal Services	2,531,420	2,600,163	2,655,746	2,774,478	
FTE	<u>37.6</u>	<u>39.3</u>	<u>40.8</u>	<u>40.8</u>	
Cash Funds	127,741	127,742	127,487	127,487	
Cash Funds Exempt	2,403,679	2,472,421	2,528,259	2,646,991	
Operating Expenses	<u>6,016,908</u>	<u>5,564,162</u>	<u>6,181,350</u>	<u>6,181,350</u>	
Cash Funds Exempt	6,016,908	5,564,162	6,181,350	6,181,350	
Rental, Lease, or Lease/Purchase of Central Processing Unit	336,034	336,034	336,034	336,034	
Indirect Cost Assessment	595,768	467,949	566,864	678,807	Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (F) Computer Services	9,480,130	8,968,308	9,739,994	9,970,669	2.4%
FTE	<u>37.6</u>	<u>39.3</u>	<u>40.8</u>	<u>40.8</u>	<u>0.0</u>
Cash Funds	127,741	127,742	127,487	127,487	0.0%
Cash Funds Exempt	9,352,389	8,840,566	9,612,507	9,843,182	2.4%

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Change Request
	Actual	Actual	Appropriation	Request	
(6) DIVISION OF INFORMATION TECHNOLOGY					
(G) - Information and Archival Services					
Personal Services	462,321	448,706	485,687	541,483	DI #1: State Archives Refinance
FTE	<u>8.1</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	
General Fund	425,281	351,462	362,965	436,771	
Cash Funds	23,872	79,064	78,669	93,811	
Cash Funds Exempt	13,168	18,180	44,053	10,901	
Operating Expenses	<u>56,722</u>	<u>48,948</u>	<u>56,794</u>	<u>56,794</u>	
General Fund	0	48,948	56,794	56,794	
Cash Funds	56,722	0	0	0	
					Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (G) Information and Archival Services					
	519,043	497,654	542,481	598,277	10.3%
FTE	<u>8.1</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
General Fund	425,281	400,410	419,759	493,565	17.6%
Cash Funds	80,594	79,064	78,669	93,811	19.2%
Cash Funds Exempt	13,168	18,180	44,053	10,901	-75.3%
(6) DIVISION OF INFORMATION TECHNOLOGY					
(H) - Technology Management Unit					
Personal Services	2,673,549	2,763,739	2,916,378	3,021,513	
FTE	<u>34.1</u>	<u>36.3</u>	<u>35.5</u>	<u>35.5</u>	
General Fund	2,673,549	2,763,739 a/	2,916,378 b/	3,021,513	
Operating Expenses - General Fund	292,906	295,842	497,376 b/	529,371	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY					
Subtotal - (H) Technology Management Unit	2,966,455	3,059,581	3,413,754	3,550,884	4.0%
FTE	<u>34.1</u>	<u>36.3</u>	<u>35.5</u>	<u>35.5</u>	0.0
Subtotal - General Fund	2,966,455	3,059,581	3,413,754	3,550,884	4.0%

a/ Includes a one-time appropriation of \$93,750 General Fund for the implementation of HB 06S-1015.

b/ S.B. 07-228 appropriated in FY 07-08 \$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.

					Request vs. Appropriation
TOTAL - (6) DIVISION OF INFORMATION TECHNOLOGY	34,664,428	33,177,690	37,966,034	38,863,705	2.4%
FTE	<u>163.3</u>	<u>171.0</u>	<u>176.3</u>	<u>176.3</u>	<u>0.0</u>
General Fund	3,391,736	3,459,991	3,833,513	4,044,449	5.5%
Cash Funds	2,269,890	2,178,303	2,518,721	2,533,863	0.6%
Cash Funds Exempt	28,866,394	27,365,621	31,492,800	32,164,393	2.1%
Federal Funds	136,408	173,775	121,000	121,000	0.0%

(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	2,871,379	2,945,674	3,089,064	3,201,823	
FTE	<u>35.6</u>	<u>35.7</u>	<u>40.8</u>	<u>40.8</u>	
General Fund	0	0	80,856 a/	80,856 a/	
Cash Funds	28,745	28,689	28,546	28,546	
Cash Funds Exempt	2,842,634	2,916,985	2,979,662	3,092,421	
Operating Expenses	<u>144,860</u>	<u>136,459</u>	<u>172,023</u>	<u>166,731</u>	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
	Actual	Actual	Appropriation	Request	Change Request
General Fund	0	0	17,154 b/	11,144 b/	
Cash Funds Exempt	144,860	136,459	154,869 c/	155,587 c/	
Indirect Cost Assessment - Cash Funds Exempt	235,049	290,513	215,330	239,271	
					Request vs. Appropriation
TOTAL - (7) ADMINISTRATIVE COURTS	3,251,288	3,372,646	3,476,417	3,607,825	3.8%
FTE	<u>35.6</u>	<u>35.7</u>	<u>40.8</u>	<u>40.8</u>	<u>0.0</u>
General Fund	0	0	98,010	92,000	
Cash Funds	28,745	28,689	28,546	28,546	0.0%
Cash Funds Exempt	3,222,543	3,343,957	3,349,861	3,487,279	4.1%

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

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

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

TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION	150,468,749	160,021,031	176,680,095	185,467,505	5.0%
FTE	<u>504.2</u>	<u>514.8</u>	<u>567.2</u>	<u>572.7</u>	<u>5.5</u>
General Fund	8,148,593	9,358,613	10,776,579	11,598,842	7.6%
Cash Funds	10,391,846	11,476,720	12,272,608	12,873,396	4.9%
Cash Funds Exempt	131,791,902	139,011,923	153,509,908	160,874,267	4.8%
Federal Funds	136,408	173,775	121,000	121,000	0.0%

**FY 2008-09 JBC BUDGET BRIEFING
DEPARTMENT OF PERSONNEL AND ADMINISTRATION**

FOOTNOTE UPDATE

- 4 All Departments, Totals** -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly.

Comment: *The Department is in compliance.*

- 5 All Departments, Totals** -- Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2007-08. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: *This footnote was vetoed by the Governor on the basis that: (1) it violates the separation of powers in that it is attached to federal funds and private donations, which are not subject to legislative appropriation; (2) placing information requirements on such funds could constitute substantive legislation in the Long Bill; and (3) it requires a substantial dedication of resources and constitutes an unfunded mandate. After the General Assembly overrode all Long Bill vetoes, the administration reviewed each footnote to determine which could be reasonably complied with given available resources and departmental priorities. To the extent that this footnote could be adhered to without adversely impacting executive branch operations or the delivery of services, the Governor directed departments to comply pursuant to the August 16, 2007 letter from the director of the Office of State Planning and Budgeting to the leadership of the General Assembly.*

- 20 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Division of Human Resources, Human Resource Services** -- The Department of Personnel and Administration shall comply with the statutory provisions of Section 24-50-110 (1)(d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel and Administration 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 database; 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 of Personnel and Administration and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2007. 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 2006-07.

Comment: *The Governor vetoed this footnote on the grounds that it violates the separation of powers in Article III of the Colorado Constitution and that it constitutes an unfunded mandate, stating that the information requested would require a substantial dedication of resources. However, the Governor stated that he will direct departments to comply with this footnote to the extent feasible.*

On September 26, 2007, the Office of State Planning and Budgeting submitted an analysis and report on filled and vacant positions for executive agencies. The report also addressed the other requests contained within the footnote, such as reclassifications and turnover rates. Staff compiled additional information for non-executive agencies and has included a comprehensive statewide report on filled and vacant FTE positions as *Appendix A*.

Main findings:

1). According to FY 2006-07 appropriated FTE and actual usage, Departments are reporting that there were 1,244.1 FTE vacancies statewide, or (5.2) percentage of the statewide appropriation. After accounting for temporary employees, sick/annual leave payout, and other personal services, Departments are reporting that there were 332.8 FTE vacancies statewide, or (1.4) percentage of the statewide appropriation. In its report, the OSPB showed similar numbers for executive agencies only: 1,326.2 FTE vacancies, or (5.8) percentage of the appropriation. After accounting for temporary employees, sick/annual leave payout, and other personal services, the OSPB reported 473.7 FTE vacancies, or (2.1) percentage of the appropriation.

2). **The main finding of the report is that the information listed above does not correspond to actual dollar vacancies.** The report states that Departments report that the greatest amount of attention to tracking position costs is associated with the funding rather than FTE, since over-expenditures in personal services line items are much easier to determine than over-utilizing the FTE associated with the line. Additionally, the report states that while hours may be allocated for full-time positions, the funding for the salaries can vary widely. In other words, one full-time staff might earn \$30,000 per year while another full-time staff might earn \$60,000 per year.

Since the Report on Filled and Vacant Positions is not useful by itself, staff sent out a request on November 30, 2007, to the OSPB and the Department of Personnel to coordinate a re-submission of the FTE report with associated dollar amounts. Staff requested that Departments prepare reports using a similar template to the FTE report, and list the dollar amounts associated with FTE, temporaries, sick/annual leave payout, and other personal services. On

December 3, 2007, OSPB informed staff that agencies will not be able to complete this report by December 17.

Staff recommends that the Committee request from agencies to fill out a personal services reconciliation report (see Appendix A-II) listing personal services expenditures by object code for FTE, temporaries, sick/annual leave payout, and other personal services. If the object codes provided in the template do not account for all personal services expenditures, agencies should include the additional object codes and explain why they are relevant. Staff recommends this report be submitted to the JBC the week of January 7, 2008.

3). The Department reports that it is in the final stages of testing and rolling out a new Human Resources Data Warehouse (HRDW), which will be able to provide immediately accessible employee information to agencies' human resources, payroll and budget offices. The Department of Personnel anticipates that this new system will be fully operational in early 2008.

- 107 Department of Personnel and Administration, Central Services, Facilities Maintenance, Capitol Complex Facilities, Utilities; Grand Junction State Services Building, Utilities; Camp George West, Utilities; Finance and Procurement, Real Estate Services Program, Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review** -- The Department of Personnel and Administration is requested to coordinate a statewide review and summary of utility costs contained in the budget. This review should include, but not necessarily be limited to, information on the steps taken in FY 2006-07 and FY 2007-08 to address efficiencies in utility programs, areas where the state can save money on utility expenditures through efficiencies, where available, and a report on all utility cost savings contracts negotiated through the statutory authority granted in section 24-30-2003, C.R.S. This report should contain information on contracts entered into since FY 2004-05, by department, the scope of the contract, including length and work performed, and the cost savings that will be achieved as a result. The General Assembly requests this information be submitted on November 1, 2007.

Comment: The Governor vetoed this footnote on the grounds that it violates Article III and Article V, Section 32, of the Colorado Constitution by attempting to administer the appropriation. However, the Governor stated that he will direct the Department to comply with this footnote to the extent feasible.

Last year in response to the same footnote, the Department provided staff with the Division of Finance and Procurement State Building and Real Estate Programs Annual Report. The Department pointed staff to Section IV of the report which provides detail on statewide energy management programs. The report contains a table that identifies contracts by agency, and includes milestones. As this is an annual report, the Department has stated that they will be able to provide this report in response to the footnote request. The Department has not yet provided this report to staff this year. The Department anticipates that the report will be ready in early January 2008.

107a Department of Personnel and Administration, Division of Information Technology, Network Services, Operating Expenses - The Department is requested to submit a report by October 1, 2007, to the Joint Budget Committee, detailing the status and current plan for the Multiuse Network. As part of the report, the Department is requested to elaborate on how it plans to fully develop broadband connectivity throughout the State of Colorado and opportunities to accelerate that plan.

Comment: *The Governor vetoed this footnote on the grounds that it violates the separation of powers and because it constitutes substantive legislation. However, the Governor stated that he will direct the Department to comply with this footnote to the extent feasible. The Department has not complied with this footnote, it has not sent a report to the Joint Budget Committee, nor has it published its annual Multiuse Network Report online.*

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF PERSONNEL AND ADMINISTRATION
FTE Vacancies, Turnover Rates and Personal Services Base Reduction**

ISSUE:

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.

SUMMARY:

- ❑ The OSPB and the Department of Personnel and Administration delivered a Report on Filled and Vacant FTE Positions for FY 2007. One of the main findings of the report was that reconciling appropriated positions with the use of those positions without an associated dollar amount is not a good way to measure how and on what personal services appropriations are being spent.
- ❑ The FY 2009 OSPB common policy for personal services base adjustment is (0.2) percent. The Department of Education was excluded from this policy. The Department of Corrections request is for (0.5) percent, but to be used to fund decision items. The Department of Public Safety request is for (0.4) percent.
- ❑ Average turnover rates from FY 1999 to FY 2006 are 11.6 percent per year. Of this rate, 7.46 percent are voluntary separations and 2.98 percent represent retirements. 31.2 percent of state personnel system employees are listed as eligible to retire within the next five year. (taken from FY 2006 Workforce Report produced by the Division of Human Resources, the FY 2007 report has not yet been published).
- ❑ The Schedule 3s (program detail) that departments submit each year as part of their budget request (*Appendix B*) show that departments have certain flexibility in how they expend personal services funds.
- ❑ The Department of Personnel Decision Item #1 for extra funding to support FTE authority without corresponding funding illustrates the FTE versus funding authority complexity.

RECOMMENDATION:

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

1. Discuss how the Department can provide better information regarding the reconciliation of personal services lines funding with FTE funding. Will the report requested in **Appendix A-I** help the JBC understand the large number of FTE vacancies reported in the FY 2007 Report on Filled and Vacant FTE Positions? Why or why not?
2. Please explain how the personal services base reduction of (0.2) percent was calculated. Were departments asked to calculate an actual vacancy that translates into a funding amount? How did the Department calculate that it can only afford a (0.2) percent personal services base reduction?
3. Does the Department currently have a plan or estimate of budgetary implications as a result of retirements within the next five years? How many employees within the Department are currently eligible to retire within the next five years? Explain how the Department would use turnover savings from an employee who retires or leaves state employment at the top of their salary range.
4. How much pots funds in total were used to support FTE salaries in FY 07?

DISCUSSION:

Appendix B illustrates the level of line-item detail that Departments provide in the Schedule 3s when submitting their annual budget requests. This schedule has the following parts:

I. Personal Services Detail

On page 281 of the appendix is the “*Position Detail*”. This is the section where departments provide the FTE position-by-position detail. The “*Other Personal Services*” section lists the PERA and Medicare state contributions, other personal services, sick/annual leave payments, state temporaries, and any other personal services that would not otherwise fit under the FTE Position Detail.

The “*POTs Expenditures*” detail shows how much of the allocated pots were spent on the particular line item. Note that this part does not show if the expended pots were used to fund pots, or if they were used to fund an employee’s salary, as the DI #1 discussion below will show.

The “*Change Requests(s)*” detail shows if the department is requesting a decision item, or some other adjustment to the line.

II. Personal Services Request

On page 282 of **Appendix B** the Department shows how they are building the personal services line for the request year. They start with the previous year’s appropriation and build in any base building pots, such as, salary survey, base building performance awards, SAED (the OSPB is requesting to build the last year SAED amount into the salary line for the request year), and any base-building decision items.

Appendix C illustrates the FY 2008 Personal Services Calculation prepared by JBC staff. The calculation starts with the prior year personal services appropriation, builds any extra funds from special bills, adjusts for prior year decision items, builds any prior year appropriations for salary survey and performance base-building awards. The base continuation is then reduced by the particular year's base reduction amount, new decision items are added in, and any staff initiated and fund mix adjustments are applied before arriving at the personal services recommendation for the new year.

DI #1: State Archives Refinance and Funding Supplement

The Department is requesting to refinance \$33,152 CFE revenues that have been declining over the years with an estimated \$15,142 cash funds revenues as a result of potential new offerings of certain documents not previously available, such as court documents that Archives would store for counties and produce for residents of the counties. The Department is requesting to refinance the remainder of the cash funds exempt revenue shortfall of \$18,010 with General Fund. The Department is also requesting an additional \$19,130 General Fund to supplement the personal services appropriation in order to make the funding "whole".

During the budgetary downturn, Archives was restructured and the appropriation was reduced twice by a total of 6.0 FTE and \$461,883 (including \$172,529 General Fund). The staff analysis contained in the FY 2004 figure setting document, staff explains that the program had experienced historical reversions and had used the services of temporaries, that added to the Department's analysis led to the restructuring of the program. The Department states that the program did not experience shortfalls until FY 2006. However, the division reverted 2.0 FTE in FY 04 and has reverted 1.0 FTE ever since.

To cover the shortfall in FY 2006 and FY 2007, the Department used vacancy savings and funds appropriated for central pots (the Department stated that if adequate funding existed in FY 2007, it could have potentially reverted over \$35,000 in General Fund pots) to cover the shortfall of the program. Starting with FY 2009, the Department states that it will not longer be able to cover the shortfall with vacancies and Pots.

Potential Turnover Savings in Archives

The table below is taken from the Department's decision item narrative, it shows the eight employees that currently work in the State Information and Archival Services. According to the table, two employees who are close to or at the top of their salary range are eligible to retire immediately.

Staff inquired if the Department had planned for the impending retirement of employees in State archives. The Department responded that it cannot speculate on a potential retirement, but also did not respond how much turnover savings there will be and what they will be used for.

The table below illustrates the current employment distribution in the Information and Archives sub-division. 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.

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

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF PERSONNEL AND ADMINISTRATION
FY 2009 Total Compensation Survey and Recommendation**

ISSUE:

The 2007 Total Compensation Report, dated August 1, 2007, contains recommendations for salary survey, performance-based pay, and state contributions for health, life, and dental insurance (HLD). The Report states that the total new cost for salaries (\$70 million) and employer contribution to benefits (\$39.6 million) in order to reach prevailing market employer contributions is \$109.6 million.

SUMMARY:

- Based on the Governor's November 1 budget submission, Departments are requesting a total \$52.2 million for salary survey (including \$30.2 million General Fund), \$20.7 million (including \$12 million General Fund) for Performance-based Pay increases, and \$116 million (including 71.4 million General Fund) for state contributions to group benefit plan premiums.
- The FY 2008-09 request for state contributions to benefit plan premiums leaves the state contribution at 85 percent of the prevailing market contribution, the same amount as in FY 2007-08.
- The second year impact of S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED) on employees' salary increases is estimated at \$7.2 million (including \$4.3 million General Fund. Two year impact is calculated at \$10 million (including \$5.8 million General Fund).
- The Joint Budget Committee sponsored H.B. 07-1373. On July 1, 2008, the salary lid for medical and non-medical classes will rise by the greater of the Employment Cost Index (ECI) for the preceding calendar year or the percentage increase in state general fund appropriations in relation to the preceding year.

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. Starting with FY 2008, the Department implemented a new "Achievement Pay and Bonus Plan". Please explain if this new methodology for rewarding performance at work has been successful during its first year. Please explain.

3. Explain why the request is building the FY 2007-08 SAED appropriation into the personal services lines base for FY 2008-09 instead of budgeting for the total SAED within the SAED line?
4. During the FY 2007-08 request discussions, the Department had stated that the goal is to increase the contribution for FY 2008-09 to 90 percent of the prevailing market contribution and ultimately reach 100 percent. Why is the recommended state contribution for group benefits not increased to a higher percentage than 85 percent of prevailing market?

BACKGROUND:

Salary Increase Methodology Timeline.

- **Historical Until July 1, 1998.**

Survey Adjustment by Pay Relationship.

- 10 survey adjustments by occupational group replaced hundreds of annual adjustments in 1988.
- Pay structure - one pay plan with uniform ranges (35% wide with 7 steps). Changes in increments of 2.5 percent (rounded).
- Actual pay of employees adjusted to the same step in the new pay grade for the class.

7-Step System for Movement Within Pay Ranges.

- 5 percent annual increase on anniversary of date of hire until reaching Step 6.
- At Step 6 employee waits for 5 years before moving to Step 7.
- Average annual budget for steps equals 2.2 percent of payroll.

- **Beginning on July 2, 1998.**

Survey Adjustment Performed by Occupational Group.

- 10 pay plans with market-based pay range widths for the occupational groups.
- Pay structure - measure average movement of salary range mid-points in the market and apply the percentage to state midpoints - no longer reassigning classes to new grades or rounding in 2.5 percent increments.
- Actual pay adjusted by the percentage for the occupational group.

Switch Steps to Anniversary System for Movement Through Pay Ranges.

- 5 percent annual increase on anniversary date of hire - same as before, except can be any amount in a range, not limited to one of 7 rates in a range.
- No steps - maintained waiting period with the 5-year rate - spend 5 years in "zone" between the rate and range maximum before move to range maximum.
- Still average funding is 2.2 percent of payroll.

- **FY 2002-03 to Present.**

Survey adjustment by occupational group continues as above.

Switch to performance-based pay for movement through pay ranges (July 1, 2002).

- Performance awards tied to final overall performance rating level.
- Base building and non-base building pay opportunities.
- All awards effective July 1 of each fiscal year - no more individual anniversary dates.
- Funding limited and lack of movement through pay ranges (for 5 fiscal years the total funding appropriated to performance-based pay is 3.17 percent of payroll).

DISCUSSION:

Salary Survey and Performance-Based Pay

On August 1, 2007, the Personnel Director submitted the salary survey and performance-based pay recommendation for FY 2008-09. The recommendation included 3.8 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.

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

Occupational Group	Market Salary Increase	Increase After Subtracting PERA SAED	Base Achievement Pay	Total Base Pay Adjustment
Enforcement and Protective Services	3.17%	2.65%	1.00%	3.68%
Troopers	5.82%	5.28%	1.00%	6.33%
Financial Services	4.17%	3.64%	1.00%	4.68%
Health Care Services	3.98%	3.45%	1.00%	4.49%
Labor, Trades, & Crafts	3.03%	2.51%	1.00%	3.54%
Administrative Support & Related	3.10%	2.58%	1.00%	3.61%
Professional Services & Teachers	4.40%	3.87%	1.00%	4.91%
Physical Sciences & Engineering	2.77%	2.25%	1.00%	3.28%
Statewide Average	3.80%	3.28%	1.00%	4.31%
Lump-sum Achievement Payment for "Exceptional" Performers			2.00%	

The table below shows the salary survey requests contained in ALL departments November 1 budget requests.

FY 2009 Salary Survey Requests at 3.8 Percent of Payroll (in millions)					
	General Fund	Cash Funds	CFE	Federal Funds	Total
FY 2007-08 Appropriation	31,595,693	5,618,154	9,898,154	4,818,850	51,930,851
FY 2008-09 Request	<u>30,205,097</u>	<u>6,652,315</u>	<u>10,838,173</u>	<u>4,520,148</u>	<u>52,215,733</u>
Difference	(1,390,596)	1,034,161	940,019	(298,702)	284,882
Percent Change	-4.4%	18.4%	9.5%	-6.2%	0.5%

The table below shows the performance-based pay requests contained in ALL departments November 1 budget requests.

FY 2009 Performance-based Pay Requests at 1.4 Percent of Payroll (in millions)					
	General Fund	Cash Funds	CFE	Federal Funds	Total
FY 2007-08 Appropriation	11,062,633	1,957,636	3,955,144	1,993,539	18,968,952
FY 2008-09 Request	<u>11,983,078</u>	<u>2,567,380</u>	<u>4,258,467</u>	<u>1,848,576</u>	<u>20,657,501</u>
Difference	920,445	609,744	303,323	(144,963)	1,688,549
Percent Change	8.3%	31.1%	7.7%	-7.3%	8.9%

Senate Bill 06-235

S.B. 06-235 modified the Public Employee's Retirement Association (PERA), among other things, the bill provides for a supplemental amortization equalization disbursement (SAED) of 0.5 percent beginning January 1, 2008, and increasing 0.5 percent per year for a total of 3 percent by 2013. The bill stipulates that the SAED will be funded from money otherwise available for use but not yet awarded as salary increases. This means that whatever decision the Committee makes on salary increases for FY 2008-09, employees will not receive the amount that was appropriated but will receive a reduced amount after the SAED is taken out, or 0.5 percent of base salaries each year.

For the FY 2008-09 budget request, the OSPB instructions have split the SAED calculation into two parts. The prior year SAED percentage is being placed within the personal services line item and only the request amount is placed within the SAED line. In particular, for FY 2008-09 the total SAED percentage is 0.75 percent (0.5 percent for July 2008 through December 2008 and 1.00 for January 2009 through June 2009). Departments are requesting that 0.5 percent be appropriated in the SAED line, and the remaining 0.25 percent (amount taken out in FY 2008) be built into the personal services base.

Staff feels that including the entire amount of the SAED appropriation into the SAED line is a better and more transparent way to appropriate these funds. The table below shows the amounts for FY 2008-09

FY 2009 SAED Requests at 0.75 Percent of Payroll (in millions)					
	General Fund	Cash Funds	CFE	Federal Funds	Total
0.25 percent built into base	1,527,480	312,253	659,147	353,853	2,852,733
0.50 percent in SAED line	<u>4,255,149</u>	<u>771,277</u>	<u>1,385,979</u>	<u>751,683</u>	<u>7,164,088</u>
Total	5,782,629	1,083,530	2,045,126	1,105,536	10,016,821

Health, Life, Dental (HLD)

The August 1, 2007, Personnel Director recommendation is for a state HLD contribution at 85 percent of the prevailing market contribution, the same percentage as was appropriated in FY 2007-08.

FY 2009 HLD Requests at 85 Percent of Prevailing Market Contributions (in millions)					
	General Fund	Cash Funds	CFE	Federal Funds	Total
FY 2007-08 Appropriation	61,640,366	10,175,574	20,607,018	9,479,163	101,902,121
FY 2008-09 Request	<u>71,361,813</u>	<u>9,993,046</u>	<u>24,062,551</u>	<u>10,552,508</u>	<u>115,969,918</u>
Difference	9,721,447	(182,528)	3,455,533	1,073,345	14,067,797
Percent Change	15.8%	-1.8%	16.8%	11.3%	13.8%

Total HLD Employer Contribution Recommendation by Enrollment Tier			
	State FY 07-08 Contribution	Market for FY 08-09	Director's Recommendation at 85 percent
Employee	\$310.50	\$409.84	\$349.56
Employee + Spouse	\$524.92	\$671.83	\$572.26
Employee + Child(ren)	\$480.34	\$604.01	\$514.60
Family	\$711.14	\$930.01	\$791.70

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION**

ISSUE:

Funding Status of the Public Employees' Retirement Association (PERA).

SUMMARY:

- ❑ PERA's unfunded liability in the Pension Trust Fund (State Division) for calendar year 2006 was \$5 billion. This translates to a funding ratio (assets divided by liabilities) of 73 percent. Including AED and SAED contributions, the current amortization period for all divisions, except for the State Division, is finite within a 30-year actuarial period.
- ❑ In the December 31, 2006 Actuarial Report, PERA actuaries estimated that the employer contribution rate for the State Division would need to have been increased to 17.23 percent of salaries in calendar year 2006 and the rate would need to be 18.45 percent in calendar year 2007 in order to reach a 30 year amortization schedule.
- ❑ S.B. 06-235 was passed to address PERA's unfunded liability. Among other things, the bill provides a supplemental amortization equalization disbursement (SAED) of 0.5 percent beginning January 1, 2008, and increasing 0.5 percent per year for a total of 3.0 percent by 2013, to be funded from money otherwise available for use but not yet awarded as salary survey.
- ❑ The PERA actual 2006 rate of return was 15.7 percent, compared to the assumed rate of return of 8.5 percent.

RECOMMENDATION:

Staff recommends the Committee discuss the following questions with PERA representatives:

1. Please update your assessment of the funding status of PERA's trust funds as a result of S.B. 06-235. Explain how recent legislation, such as S.B. 06-235, addresses PERA's unfunded liability for the next thirty years?
2. The 2006 CAFR shows that even with AED and SAED, the State Division Trust Fund amortization period remains infinite. Please explain why that is. By when do you expect the amortization period to become finite?
3. The CAFR states that the Annual Required Contribution (ARC) necessary in 2006 so the State Division can have a finite amortization period is 17.23 percent. The report then states that the rate would need to increase to 18.45 percent. Please explain what the ARC measures

and why it is going up?

4. The PERA 2006 annual return was 15.7 percent. Does PERA consider this a good investment year? What proportion of the funds' long-term financial viability depends on employer and employee contributions and what proportion depends on market performance?
5. How many years of 15.7 percent annual return does PERA need to get back to fully funded status?

DISCUSSION:

December 31, 2006 Comprehensive Annual Financial Report

PERA's December 31, 2006 Annual Financial Report shows that unfunded actuarial accrued liability in the pension trust fund State Division stands at approximately \$5 billion. The State Division trust fund funding ratio stands at 73 percent. At such a level, the amortization period is infinite, assuming current contributions do not fluctuate. Section 24-51-211, C.R.S., requires a maximum amortization period of 30 years in order for the fund to be deemed actuarially sound. Thus, the current schedule is outside of statutorily established guidelines.

Below is an excerpt from the PERA's actuary on current funding:

"PERA has a funded ratio of 74% based on the Actuarial Value of Assets. The funded ratio on Market Value of Assets is higher, at 78%. It is our opinion that the current funding is sufficient to pay benefit payments through the projected actuarial period of 30 years. Recent contribution changes under S.B. 06-235 are expected to stabilize the funding levels of the Local Government and Judicial Division trust funds by attaining a 30-year amortization period within the projected actuarial period of 30 years. The recent contribution changes combined with the benefit changes of S.B. 06-235 are expected to stabilize the State and School Division trust funds by attaining a 30-year amortization within the projected actuarial period."¹

Unfunded Liability of PERA Trust Funds and Contribution Rates

As previously mentioned, the trust funds' amortization periods are in excess of what statutory requirement. Pursuant to Section 24-51-211, C.R.S., that period is 30 years, and currently (not including the effect of AED and SAED) the period is infinite for all divisions except for the Local Government Division Trust Fund and the Health Care Trust Fund.

¹Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2006. Page 82.

Unfunded Liability as of December 31, 2006*		
Trust Fund	Unfunded Liability (in thousands)	Amortization Period
State	\$4,918,720	Infinite
School	\$7,172,949	Infinite
Local Government	\$675,035	48 Years
Judicial	\$36,858	Infinite
Health Care	\$1,033,134	37 Years

* From Comprehensive Annual Financial Report, December 31, 2006

Based on the December 31, 2006, valuation, the amortization periods for each fund are shown below including all future AED and SAED contributions:

Amortization Period as of December 31, 2006*		
Trust Fund	With AED	With AED and SAED
State	Infinite	Infinite
School	Infinite	52 Years
Local Government	32 Years	17 Years
Judicial	Infinite	28 Years
Health Care	37 Years	37 Years

* From Comprehensive Annual Financial Report, December 31, 2006

According to the December 31, 2006 Actuarial Report, the state's contribution rate for the State Division Trust Fund would need to be 17.23 percent of base salaries in 2006 in order to amortize the unfunded liability over 30 years called for by GASB, the rate would need to be 18.45 percent in calendar year 2007 in order to reach a 30 year amortization schedule.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Personnel and Administration
Greening of Government**

ISSUE:

On April 16, 2007, Governor Ritter signed Executive Order D 11 07, Greening of State Government. Subsequently the Governor signed Executive Order D 12 07, a detailed implementation plan. The orders set aggressive objectives to reduce energy consumption within State Government. However, currently the details on how these objectives will be accomplished are not clear.

SUMMARY:

- The executive orders state that agencies will reduce overall energy use in all state facilities by 20 percent or more no later than the end of FY 2011-2012. The Greening Government Manager will be responsible for ensuring that all agencies have an energy management plan by January 2008.
- By June 30, 2012, the executive orders mandate a 25 percent volumetric reduction in petroleum consumption by state vehicles measured against a fiscal year 2005-06 baseline.
- By December 1, 2007, DPA shall conduct a transportation efficiency audit.

RECOMMENDATION:

Staff recommends the Committee discuss the following questions with the Department:

1. Please present your energy management plan. Discuss how the plan proposes that energy consumption in state buildings will be reduced by 20 percent by 2012. How will this reduction occur within capitol complex buildings?
2. Describe the energy performance contracts that Capitol Complex currently has underway. How much did these contracts cost, and how much are they going to save over 10 years? How many more performance contracts is the Department considering for capitol complex buildings?
3. Present the findings of the Transportation Efficiency Audit. What are the particular steps that State Fleet will undertake within the next five years to reduce volumetric petroleum consumption.
4. Explain what assumptions the Department used to calculate the base years for electric consumption and petroleum use to be used as benchmarks in measuring success of the greening government goals?
5. Is ethanol a good substitute of petroleum for the state fleet? Does the Department have an estimate of how many gallons of petroleum it takes to produce one gallon of ethanol?
6. An October 15, 2007, Governor Ritter press release on sweeping efficiencies as part of

government reform, states that there will be \$2.2 estimated 5-year savings by reducing the state fleet, and another \$1.1 million in savings from capitalizing on fuel card account management tools. Please discuss how these savings will be achieved. Are any of these savings included with the FY 09 fleet vehicle replacement requests?

DISCUSSION:

Energy Consumption Efforts to Date

The base FY 05-06 for usage of electricity within capitol complex facilities was set by the Department in its FY 09 budget request. The base year is set at 30,751,950 kilowatt hours (KwH). The Capitol Complex is responsible for managing buildings totaling 1.2 million square feet. In order to meet the 5 year objective, the Department will have to cut energy consumption by an average of 4 percent per year. According to the Department, consumption was already reduced by 3.2 percent in FY 2006-07 from the base year. This was in part the result of an energy performance contract with Chevron Energy Solutions that the Department contracted in 2002. The goal of this performance project is to conserve energy consumption through tenant awareness and the replacement or upgrading of lights, toilets, boilers and chillers, and the installation of new energy management computerized controls.

Reducing Petroleum Consumption

The State Fleet consists of approximately 5,700 vehicles of all vehicle sizes, which travel approximately 71 million miles per year using over 4.3 million gallons of fuel per year. The state fleet currently has 540 active Flex Fuel Vehicles that can use Ethanol in a blend of 85% (E85) or a biodiesel blend of 20% (B20) or above. The State Fleet also currently has 53 hybrid vehicles.

Of the 995 vehicles requested for replacement, Departments are requesting that 448 are E-85 ethanol compatible and 91 are hybrid. At this rate, within 5 years at least half of the Fleet could be E-85. The problem lies in how fast new E-85 gas stations are being built. According to the web site www.e85vehicles.com, Colorado currently has only 34 E-85 gas stations in 22 cities. A question remaining to be seen is how fast these stations are being built.

Some of the other methods that the State Fleet is looking into reducing petroleum consumption include:

- fleet is currently evaluating a vehicle mounted global positioning system (GPS) for the purpose of efficiently routing state delivery services, improving driving behavior, reducing idle time and accidents;
- fleet is studying redundant state services that duplicate delivery routes;
- a new vehicle use survey web site is being considered to better identify the activities a vehicle is expected to perform;
- institute an anti-idling policy to all state fleet vehicle users;
- configure and improve the CARS database;
- eliminate the option of V10 engines in 1 ton vehicles.

**FY 2008-09 Joint Budget Committee Staff Budget Briefing
Department of Personnel and Administration
DPA Proposed Legislation**

ISSUE:

On December 7, 2007, the Department submitted a letter requesting the JBC sponsor legislation that will provide continuous spending authority for the State Fleet Management and Central Services Funds, Workers' Compensation Fund, and Debt Collection Fund. The legislation will also create and codify certain other funds in statute.

SUMMARY:

- According to Article III of the Colorado Constitution, the power of the Legislature is plenary with respect to appropriations.
- The Department is requesting that the Legislature cede its power to appropriate and amend certain statute to allow for continuous spending authority for certain funds.
- The JBC has had disagreements in the past regarding the calculation of spending authority and reserve amounts in certain of the funds the Department is requesting for continuous spending authority, in particular the Fleet Management Fund and the Workers' Compensation Account.

RECOMMENDATION:

Staff recommends the Committee discuss the following questions with the Department:

1. Justify the need for continuous spending authority for funds on which the Joint Budget Committee has disagreed with the Department's management of the fund supported activities or has disagreed with the Department's calculation of spending authority need and fund balance need.
2. Explain how the Joint Budget Committee will maintain oversight of these funds activities if they become continuously appropriated?
2. Why does the Department find it problematic to request 1331 supplementals from the JBC?

DISCUSSION:

Over the past two years, Fleet Management fund has been a source of disagreement between the Department and the JBC. The JBC has believed that the Department has not been proactive enough

in managing the state vehicle fleet pursuant to Section 24-30-1104 (2)(a) and (c)(I), C.R.S.

The Worker's Compensation Account's reserve balance was a source of contention during the FY 2006-07 supplemental process. The Department had requested setting the reserve for the account at 16.5 percent. The JBC voted to set the reserve at 10 percent.

The Department also requests the creation of a Professional Development Center Fund. The Department currently has a line item appropriation in the Division of Human Resources, Training Services. The program has been reverting its entire FTE appropriation for several years. During FY 2007 figure setting, staff recommended reducing the FTE and associated spending authority from 2.0 FTE to 1.0 FTE. In FY 07 the Department one more time reverted the entire FTE appropriation and a third of the appropriated personal services funds.

In addition to these funds, the Department requests continuous spending authority for the Debt Collection Fund, the Department of Personnel Revolving Fund and the Risk Management Fund.

The Department also requests the creation of an Administrative Law Judge Services Fund, a Benefits Administration Fund, and a Capitol Parking Fund.

A requirement for the Self-Insured Property Fund to maintain an additional contingency reserve is removed.

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

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)	
Department Total	48,673,071.64	23,400.5	(37.5)	(701.1)	22,661.9	23,906.0	(1,244.1)	249.1	244.3	417.9	(332.8)	
							Percentage of Appropriation	-5.2%	1.0%	1.0%	1.7%	-1.4%

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

Department of Personnel And Administration

<u>Agencies/Divisions</u>	<u>FY 07 Total Hours Per CPPS</u>	<u>Total FTE @ 2080 hours/yr.</u>	<u>Reconciliation Adjustments</u>		<u>FY07 Actual</u>	<u>FY07 Appropriation</u>	<u>Difference Over/(Under)</u>	<u>Expenses Paid from Vacancy Savings</u>			<u>Net Vacancies</u>
			<u>Technical Adjustments</u>	<u>Non- Appropriated</u>				<u>State Temps</u>	<u>Sick/Annual Leave Payouts</u>	<u>Other Personal Services</u>	
AAA / Executive Director's Office (EDO)	52,342.63	25.2	(5.0)		20.2	23.5	(3.3)		0.40	0.29	(2.6)
ACA / Finance & Procurement (DFP)	129,803.09	62.4	0.8		63.3	61.5	1.8	0.1	0.57	0.65	3.0
AEA / Central Services (DCS)	362,671.56	174.4	1.4		175.8	183.5	(7.7)	3.7	0.80	53.27	50.0
AIA / Office of Administrative Courts (OAC)	72,619.50	34.9	0.9		35.8	39.0	(3.2)	1.4	0.10	0.25	(1.5)
AMA / Information Technologies (DoIT)	350,770.36	168.6	2.3		171.0	175.3	(4.3)	0.6	0.73	3.09	0.1
AQ* / Human Resources (DHR)	98,486.48	47.3	0.1		47.5	53.7	(6.2)	1.1	0.64	0.82	(3.6)
ARA / State Personnel Board (SPB)	9,990.00	4.8	(0.2)		4.6	4.8	(0.2)			0.0	(0.2)
Department Total	1,076,683.62	517.6	0.5	0.0	518.1	541.3	(23.2)	6.8	3.2	58.4	45.2

Please provide explanations for entries in the following columns:

Percentage of Appropriation -4.3% 1.3% 0.6% 10.8% 8.4%

Technical Adjustments

For all divisions, the technical adjustments occurred through COFRS to adjust payroll costs so that appropriate fund sources were used for program-specific activities.

Non-Appropriated

N/A

State Temporaries

For all divisions, state temps were hired in lieu of regular classified positions in some cases when the hiring process was delayed or a highly specialized employee previously with the State was utilized for special projects (in DoIT, for instance). Other temps were hired, such as in DHR, to aid in short term surveys for workforce development and testing processes.

Other Personal Services

For DCS (the vast majority of these kinds of expenses), contracted temporary services were utilized to perform numerous large work assignments related mainly to the Document Solutions Group operations in Denver and Pueblo. A decision ite that modified appropriations for FY 08 now utilizes much of the funding related to these services to salary and associated FTE costs for classified employees in this year and going forward. Other services purchased by divisions were related to retain specialized professionals for short term or project-oriented assignments in cases where certain skill sets were not retained or available within the salaried ranks (e.g., specialized technological and testing/assessment services for DoIT).

Net Vacancies

Non-utilized FTE in the EDO, OAC and DHR are a result of key positions being unfilled during the transition to the new Governor's administration. For instance, the EDO has intermittently had unfilled positions in the Controller, Deputy Executive Director, Chief Financial Officer, and Purchasing Director positions, all closely linked to the transition. DHR similarly faced a transition to a new Division Director and a vacant Deputy Director position. Additionally, the EDO and DHR faced "force savings to ensure that budget authority was available for several leave/retirement payouts during the transition to the new administration.

Please use the following guidance to complete the spreadsheet:

FY07 Total Hours per CPPS – is a count of paid hours generated by the payroll system based on the definition of FTE. Please contact Mike Amelon at mike.amelon@state.co.us to obtain a copy of the raw data from CPPS necessary to complete this column.

Total FTE @ 2080 hours/yr. – is a calculated field that converts hours to FTE based on the total number of hours in a given fiscal year.

Technical Adjustments – are input by departments to make necessary accounting adjustments to ensure FTE are billed to the appropriate organizational units and to account for any payments made outside of the payroll system. These adjustments are made after payroll is run; therefore, the payroll system does not reflect the adjustments in its numbers. Departments are encouraged to explain each technical adjustment in the notes section in as much detail as possible.

Non-Appropriated – are FTE deducted from the total count by departments to account for all FTE that are not tied to dollars appropriated in the Long Bill or other appropriations bills. These FTE are funded from unmatched federal grants, custodial funds, and similar sources.

FY 07 Actual – calculated field (Total FTE less the Technical Adjustments and Non-Appropriated FTE). The total for each department should match the total FY 07 FTE reported by the department in its Schedule 3.

FY 07 Appropriation – is input by each department and must match the total of all FTE appropriated in the Long Bill and special bills.

Difference – is a calculated field (Actual less the Appropriation). The result should be negative; meaning at least some FTE are vacant.

State Temporaries – is a field that is generated by the payroll system. The payroll system counts all hours worked by state-paid temporary workers. Since those persons are excluded from the definition of FTE, the hours worked by state temps do not count towards the actual FTE total, but do represent one use of dollars that would otherwise have been spent on permanent employee salaries.

Sick & Annual Leave Payouts – is another field generated by the payroll system. As with state temps, the payroll system can count hours associated with accumulated leave. Leave is paid out when employees terminate state service. These payouts are excluded from the definition of FTE, the associated hours represent another use of dollars that would otherwise have been spent on permanent employee salaries. This should NOT include sick and annual leave used by employees during employment.

Other Personal Services – is a field where departments should enter estimated FTE amounts for other personal services costs. It will not be possible to convert all personal services costs into FTE, however items such as contract services can be converted using an estimated hourly wage. This column is intended to allow departments to account for all personal services costs that can be reasonably converted to an FTE count. Departments are encouraged to explain each type of cost in the notes section in as much detail as possible. (FTEs are calculated from hours reported as state employee overtime, contractual personal service costs, and other miscellaneous personal services)

Net Vacancies – represents unused FTE authority. Unused FTE do not equate to unused dollars. A variety of factors may contribute to the net vacancies figure. Some of the factors that may account for FTE vacancies include, but are not limited to, payments for employee benefits, unused FTE authority due to personal services funding reductions, pay increases, and contract payments that cannot be converted into an FTE count. Departments are encouraged to explain each relevant factor in the notes section in as much detail as possible.

**Report on Personal Services Expenditures by Object Code
Fiscal Year 2006-07**

Department of Personnel And Administration

Agencies/Divisions	FY 07 Personal Services	Reconciliation Adjustments			FY 07 TOTAL ACTUAL PS	FY07 PS Appropriation	Difference Over/(Under)	Expenses Paid from Vacancy Savings			Net Vacancies
		Technical Adjustments	Non- Appropriated					State Temps	Sick/Annual Leave Payouts	Other Personal Services	
AAA / Executive Director's Office (EDO)					0	1,812,303	(1,812,303)				(1,812,303)
ACA / Finance & Procurement (DFP)					0	4,115,691	(4,115,691)				(4,115,691)
AEA / Central Services (DCS)					0	9,127,615	(9,127,615)				(9,127,615)
AIA / Office of Administrative Courts (OAC)					0	2,945,676	(2,945,676)				(2,945,676)
AMA / Information Technologies (DoIT)					0	12,565,784	(12,565,784)				(12,565,784)
AQ* / Human Resources (DHR)					0	3,764,139	(3,764,139)				(3,764,139)
ARA / State Personnel Board (SPB)					0	427,810	(427,810)				(427,810)
Department Total	\$0	\$0	\$0	\$0	\$0	\$34,759,018	(\$34,759,018)	\$0	\$0	\$0	(\$34,759,018)

Please provide explanations for entries in the following columns:

Percentage of Appropriation -100.0% 0.0% 0.0% 0.0% -100.0%

- Technical Adjustments**
- Non-Appropriated**
- State Temporaries**
- Other Personal Services**
- Net Vacancies**

Please use the following guidance to complete the spreadsheet:

FY07 Personal Services – is a count of paid \$\$ generated by the payroll system based on the definition of FTE. Please contact Mike Amelon at mike.amelon@state.co.us to obtain a copy of the raw data from CPPS necessary to complete this column.

Technical Adjustments – are input by departments to make necessary accounting adjustments to ensure FTE are billed to the appropriate organizational units and to account for any payments made outside of the payroll system. These adjustments are made after payroll is run; therefore, the payroll system does not reflect the adjustments in its numbers. Departments are encouraged to explain each technical adjustment in the notes section in as much detail as possible.

Non-Appropriated – are FTE deducted from the total count by departments to account for all FTE that are not tied to dollars appropriated in the Long Bill or other appropriations bills. These FTE are funded from unmatched federal grants, custodial funds, and similar sources.

FY 07 TOTAL ACTUAL PS – calculated field (Total FTE \$\$ less the Technical Adjustments and Non-Appropriated FTE \$\$). The total for each department should match the total FY 07 FTE \$\$ reported by the department in its Schedule 3In the **FY 07 TOTAL ACTUAL PS column, the amounts should include salaries and wages for permanent full-time and part-time employees. These costs are recorded in object codes 1110, 1111, 1210, and 1211. Please provide the \$\$ amounts associated with these object codes.**

FY 07 PS Appropriation – is input by each department and must match the total of all FTE \$\$ appropriated in the Long Bill and special bills.

Difference – is a calculated field (Actual less the Appropriation). The result should be negative; meaning at least some FTE \$\$ are vacant.

State Temporaries – is a field that is generated by the payroll system. **The object codes for this column include 1120, 1121, 1220, 1221. Please provide the \$\$ amounts associated with these object codes.** The payroll system counts all hours worked by state-paid temporary workers. Since those persons are excluded from the definition of FTE, the hours worked by state temps do not count towards the actual FTE total, but do represent one use of dollars that would otherwise have been spent on permanent employee salaries.

Sick & Annual Leave Payouts – is another field generated by the payroll system. **The object codes for this column include 1140, 1141, 1142, 1240, 1241, 1242. Please provide the \$\$ amounts associated with these object codes.** As with state temps, the payroll system can count hours associated with accumulated leave. Leave is paid out when employees terminate state service. These payouts are excluded from the definition of FTE, the associated \$\$ amounts represent another use of dollars that would otherwise have been spent on permanent employee salaries. This should NOT include sick and annual leave used by employees during employment.

Other Personal Services – is a field where departments should enter dollar amounts for other personal services costs. **The object codes for this column include 1910,1920, 1930, 1940, 1950, 1960, 1961, 1962. Please provide the \$\$ amounts associated with these object codes.** This column is intended to allow departments to account for all personal services costs that can be reasonably converted to an FTE \$\$ count. Departments are encouraged to explain each type of cost in the notes section in as much detail as possible. (FTE \$\$ are calculated from hours reported as state employee overtime, contractual personal service costs, and other miscellaneous personal services)

Net Vacancies – represents unused FTE \$\$ authority. A variety of factors may contribute to the net vacancies figure. Departments are encouraged to explain each relevant factor in the notes section in as much detail as possible.

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE

I. Personal Services Detail

Position Detail

Accountant I	614	0.0								
Admin Assistant II			432	0.0						
Admin Assistant III	42,528	1.0	43,464	1.0		44,230	1.0	44,230	1.0	
Archivist I	65,604	2.0	68,796	2.0		98,470	3.0	98,470	3.0	
Archivist II	139,364	2.8	102,592	2.0		156,633	3.0	156,633	3.0	
General Professional III	71,971	1.3	113,200	2.0		59,218	1.0	59,218	1.0	
General Professional IV	1,131	0.0	2,424	0.0						
General Professional VII	96,420	1.0	99,024	1.0		98,664	1.0	98,664	1.0	
Management	845	0.0								
Technician IV			767	0.0						
Continuation Salary Subtotal	418,477	8.1	430,699	8.0		457,215	9.0	457,215	9.0	

Other Personal Services

Employee Cash Incentive Awards	251		250							
FICA-Medicare Contributions	3,927		4,038			4,421		4,421		
PERA	41,713		42,888			46,488		46,488		
Personal Svcs - Professional			328							
Personal Svcs-Other State Agen	1,929									
Transfer(s)	15		15							
Personal Services Subtotal	466,312	8.1	478,219	8.0		508,124	9.0	508,124	9.0	
General Fund	429,023		379,722			385,402		385,402		
Cash Funds	24,122		80,316			78,669		78,669		
Cash Exempt	13,168		18,180			44,053		44,053		

POTs Expenditures

Amortization Equalization Disbursement (AED)	903		3,041			5,542				
Health, Life and Dental	24,756		29,208			37,039				

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Non-Base Building Performance								1,357		
Short-term Disability	615		494				585			
Supp. Amortization Equalization Disbrsmt. (SAED)							1,124		1,124	
Salary POTs (non-add)	15,959		22,437							
Base Personal Services Total	492,587	8.1	510,961	8.0	485,687	9.0	553,771	9.0	509,248	9.0
General Fund	455,297		412,465		362,965		429,925		386,526	
Cash Funds	24,122		80,316		78,669		78,669		78,669	
Cash Exempt	13,168		18,180		44,053		45,177		44,053	

Change Request(s)

DI#1: State Archives Refinance and Funding Suppl.									32,235	
Change Request(s) Total									32,235	
General Fund									50,245	
Cash Funds									15,142	
Cash Exempt									(33,152)	

Total Personal Services with Change Request(s)

Line Total with Change Request(s)	492,587	8.1	510,961	8.0	485,687	9.0	553,771	9.0	541,483	9.0
General Fund	455,297		412,465		362,965		429,925		436,771	
Cash Funds	24,122		80,316		78,669		78,669		93,811	
Cash Exempt	13,168		18,180		44,053		45,177		10,901	

Difference	0	0.0	0	0.0			0	0.0	0	0.0
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II. Personal Services Request

Authorization

Long Bill Appropriation	462,322	9.0	474,800	9.0	485,687	9.0	485,687	9.0	485,687	9.0
Salary Survey									17,011	

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Performance-based Pay (80%)										5,426
Supp. Amortization Equalization Disbrsmt. (SAED)										1,124
DI#1: State Archives Refinance and Funding Suppl.										32,235
Reversion										
Cash Funds		(1)								
Cash Exempt			(26,094)							
FTE		(0.9)		(1.0)						
Authorization Subtotal	462,321	8.1	448,706	8.0	485,687	9.0	485,687	9.0	541,483	9.0
General Fund	425,281		351,462		362,965		362,965		436,771	
Cash Funds	23,872		79,064		78,669		78,669		93,811	
Cash Exempt	13,168		18,180		44,053		44,053		10,901	
Allocated POTs										
Amortization Equalization Disbursement (AED)	920		3,040				5,542			
Health, Life and Dental	12,760		44,146				37,039			
Short-term Disability	627		494				585			
Supp. Amortization Equalization Disbrsmt. (SAED)							1,124			
Salary Survey	15,959		14,575				17,011			
Performance-based Pay							6,783			
Allocated POTs Subtotal	30,266		62,255				68,084			
General Fund	30,016		61,003				66,960			
Cash Funds	250		1,252							
Cash Exempt							1,124			

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Request Total	492,587	8.1	510,961	8.0	485,687	9.0	553,771	9.0	541,483	9.0
General Fund	455,297		412,465		362,965		429,925		436,771	
Cash Funds	24,122		80,316		78,669		78,669		93,811	
Cash Exempt	13,168		18,180		44,053		45,177		10,901	

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE

I. Operating Expenses Detail

Operating Expenses

2220 - Bldg Maintenance/Repair Svcs	724									
2230 - Equip Maintenance/Repair Svcs	1,235		95				115		115	
2232 - IT Software Maintence/Upgrade	1,802		955				1,108		1,108	
2252 - Rental/Motor Pool Mile Charge	2,956		3,286				3,812		3,812	
2258 - Parking Fees			35				41		41	
2259 - Parking Fee Reimbursement	51									
2511 - In-State Common Carrier Fares	471		3							
2512 - In-State Pers Travel Per Diem	594		315				365		365	
2513 - In-State Pers Vehicle Reimbsmt	342		77				89		89	
2515 - State-Owned Vehicle Charge	1,664		1,657				1,923		1,923	
2531 - OS Common Carrier Fares	525		481				558		558	
2532 - OS Personal Travel Per Diem	84		222				257		257	
2630 - Comm Svcs from Div Of Telecom	7,111		8,133				9,437		9,437	
2631 - Comm Svcs from Outside Sources	506		403				468		468	
2641 - Other ADP Billings-Purch Serv	5,434		988				1,146		1,146	
2680 - Printing/Reproduction Services	22,026		4,720				5,476		5,476	
2681 - Photocopy Reimbursement	6									
2810 - Freight	65		70				81		81	
3114 - Custodial and Laundry Supplies	32									
3116 - Noncap IT - Purchased Software			527				612		612	
3120 - Books/Periodicals/Subscription	1,722		3,334				3,868		3,868	
3121 - Office Supplies	2,953		2,793				3,240		3,240	
3122 - Photographic Supplies	252		7				8		8	
3123 - Postage	3,232		3,201				3,714		3,714	
3124 - Printing/Copy Supplies	12		144				167		167	
3126 - Repair & Maintenance Supplies	10		52				60		60	
3128 - Noncapitalized Equipment	361									
3132 - Noncap Office Furn/Office Syst			4,582				5,317		5,317	

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
3143 - Noncapitalized IT - Other	297		115				133		133	
3147 - Noncapitalized IT - Purchased Network SW			98				114		114	
3950 - Gasoline			44				51		51	
4111 - Prizes And Awards	10		165				192		192	
4140 - Dues And Memberships	235		1,425				1,653		1,653	
4180 - Official Functions	313		147				171		171	
4220 - Registration Fees	695		10,874				12,618		12,618	
Other Employee Benefits	1,004									
Line Total	56,722		48,948		56,794		56,794		56,794	
General Fund			48,948		56,794		56,794		56,794	
Cash Funds	56,722									
Difference	0		0				0		0	

II. Operating Expenses Request

Authorization

Long Bill Appropriation	56,794	56,794	56,794	56,794	56,794
Reversion					
Cash Funds	(72)				
Cash Exempt		(7,846)			
Authorization Subtotal	56,723	48,948	56,794	56,794	56,794
General Fund		48,948	56,794	56,794	56,794
Cash Funds	56,723				

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Request Total	56,723		48,948		56,794		56,794		56,794	
General Fund			48,948		56,794		56,794		56,794	
Cash Funds	56,723									

(6) DIVISION OF INFORMATION TECHNOLOGY

(G) Information And Archival Services

Long Bill Line and Detail	Actual FY05-06		Actual FY06-07		Appr. FY07-08		Estimate FY07-08		Request FY08-09	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE

(G) Information And Archival Services Total

Long Bill Group Total	549,309	8.1	559,909	8.0	542,481	9.0	610,565	9.0	598,277	9.0
General Fund	455,297		461,413		419,759		486,719		493,565	
Cash Funds	80,844		80,316		78,669		78,669		93,811	
Cash Exempt	13,168		18,180		44,053		45,177		10,901	

Department of Personnel and Administration
Division of Information Technology, Information and Archival Services
Example of FY 08 Personal Services Calculation (Option 8)

(6) Information Technology - Information and Archival Services																		
	Long Bill	Session Bills				Adjustment for Prior Year DI	Salary Survey	Performance Awards	Base Continuation		FY 2006-07 Base Continuation	Base Reduction (0.5%)	Decision Item	Staff Initiated Reduction	Fund Mix Adjustment	TOTAL Personal Services Recommendation	Department Request	TOTAL Recommendation
TOTAL	474,800	0	0	0	0	0	13,327	0	488,127		488,127	(2,440)	0	0	0	485,687	487,150	485,687
FTE	9.0	0.0	0.0	0.0	0.0				9.0		9.0		0.0	0.0		9.0	9.0	9.0
General Fund	351,462	0	0	0	0		13,327		364,789		364,789	(1,824)				362,965	364,059	362,965
Cash Funds	79,064	0	0	0	0				79,064		79,064	(395)				78,669	78,906	78,669
Cash Funds Exempt	44,274	0	0	0	0				44,274		44,274	(221)				44,053	44,185	44,053
Federal Funds	0	0	0	0	0				0		0	0				0	0	0

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**First Regular Session
Sixty-sixth General Assembly**

LLS NO. HOUSE or SENATE BILL XX

STATE OF COLORADO

BY

13

A BILL FOR AN ACT

14

CONCERNING THE TREATMENT OF VARIOUS FUNDS AND RELATED

15

SPENDING AUTHORIZATION FOR VARIOUS DEPARTMENT OF

16

PERSONNEL AND ADMINISTRATION OPERATIONS.

17

18

Bill Summary

19

20

21

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

22

23

24

25

Specifies that the Department of Personnel and Administration has continuous spending authority for certain expenditures within the following operations: collection of debts due to the state, State Fleet Management Fund, Central Services Revolving Fund, Workers' Compensation Program, Developmental Center Fund, and off-street parking operations. Specifies that the Department has spending authorization for the demolition of the building at 1530 Sherman Street. Specifies that the Department has statutory authorization for the administrative law fund and benefits administration fund.

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Be it enacted by the General Assembly of the State of Colorado:

36

SECTION 1. 24-30-202.4, Colorado Revised Statutes, is

37

amended to read:

38

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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1 24-30-202.4. Collection of debts due the state - controller's duties -
2 creation of debt collection fund - definitions.

3 (3) (e) There is hereby created in the state treasury a fund to be known as
4 the debt collection fund. THE MONEYS IN THE FUND ARE HEREBY
5 CONTINUOUSLY APPROPRIATED FOR THE PURPOSE OF PAYMENTS
6 TO PRIVATE COLLECTION ENTITIES. THE GENERAL ASSEMBLY
7 SHALL MAKE ANNUAL APPROPRIATIONS FROM THE FUND FOR
8 DIRECT AND INDIRECT ADMINISTRATIVE COSTS OF THE
9 DEPARTMENT'S COLLECTION OF DEBTS DUE TO THE STATE.
10 ~~Subject to annual appropriation by the general assembly, moneys in the debt~~
11 ~~collection fund may be used by the controller to offset a shortfall during the~~
12 ~~fiscal year in the revenue available to pay for the expenses incurred by the~~
13 ~~controller in collecting debts owed the state.~~ The debt collection fund balance at
14 the end of any fiscal year shall not exceed twenty-five percent of the annual
15 appropriated budget for the collection of debts owed the state. Net revenues
16 collected in excess of twenty-five percent of the debt collection fund balance
17 shall revert to the general fund at the end of each fiscal year.

18 **SECTION 2.** 24-30-1001, Colorado Revised Statutes, is amended
19 to read:

20 24-30-1001. Office of administrative courts.

21 (1) Effective July 1, 2005, there is hereby created the office of
22 administrative courts in the department of personnel, the head of which shall be
23 the executive director of the department of personnel. The office of
24 administrative courts shall exercise its powers, duties, and functions as a **type 2**
25 agency.

26 (2) The executive director of the department of personnel shall establish and
27 maintain administrative offices and courts for the office of administrative courts
28 in Denver, and in the southern region and on the western slope of the state, in
29 addition to such other offices and courts as the executive director deems
30 necessary to carry out the powers, duties, and functions of the office of
31 administrative courts.

32 (3) THERE IS HEREBY CREATED IN THE STATE TREASURY A
33 FUND TO BE KNOWN AS THE ADMINISTRATIVE LAW JUDGE
34 SERVICES FUND. ALL INTEREST EARNED FROM THE INVESTMENT
35 OF MONEYS IN THE ADMINISTRATIVE LAW JUDGE SERVICES FUND
36 SHALL BE CREDITED TO THE FUND AND BECOME A PART
37 THEREOF. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
38 APPROPRIATIONS BY THE GENERAL ASSEMBLY FOR THE DIRECT
39 AND INDIRECT ADMINISTRATIVE COSTS OF PROVIDING
40 ADMINISTRATIVE LAW JUDGE SERVICES TO STATE AGENCIES. AT
41 THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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1 UNENCUMBERED MONEYS IN THE FUND SHALL REMAIN THEREIN
2 AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
3 GENERAL FUND OR ANY OTHER FUND.

4 **SECTION 3.** 24-30-1115, Colorado Revised Statutes, is amended
5 to read:

6 **24-30-1115. Motor Fleet Management fund – creation.**

7 (1) There is hereby created a fund to be known as the motor fleet
8 management fund, which shall be administered by the department of
9 personnel and which shall consist of all moneys which may be transferred
10 thereto in accordance with section 24-30-1104(2)(k) or 24-30-1113(4).
11 THE MONEYS IN THE FUND ARE HEREBY CONTINUOUSLY
12 APPROPRIATED FOR THE PURPOSES OF THE FLEET
13 MANAGEMENT PROGRAM OTHER THAN THE DIRECT AND
14 INDIRECT ADMINISTRATIVE COSTS OF THE FLEET
15 MANAGEMENT PROGRAM.

16
17 (2) ~~Subject to severe budget constraints and annual appropriation, a~~
18 portion of the state motor fleet shall be replaced each year. The number
19 of motor vehicles to be replaced annually shall be based on a
20 methodology provided by the department of personnel and approved by
21 the general assembly.

Deleted: The moneys in the fund shall be subject to annual appropriation by the general assembly for the purposes of this part 11. Any moneys not appropriated shall remain in the fund and shall not be transferred to or revert to the general fund of the state at the end of any fiscal year

22
23 **SECTION 4.** 24-30-1108, Colorado Revised Statutes, is amended
24 to read:

25 **24-30-1108. Revolving fund - service charges - pricing policy.**

26 (1) There is hereby created a department of personnel revolving fund for
27 use in acquiring such materials, supplies, labor, and overhead as are
28 required. The fund shall be under the direction of the executive director.
29 THE MONEYS IN THE REVOLVING FUND ARE HEREBY
30 CONTINUOUSLY APPROPRIATED FOR THE PURPOSE OF
31 PROVIDING THE ABOVE SERVICES TO STATE AGENCIES

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1 OTHER THAN THE DIRECT AND INDIRECT ADMINISTRATIVE
2 COSTS OF THE DIVISION OF CENTRAL SERVICES FUNCTIONS.
3 THE GENERAL ASSEMBLY SHALL MAKE ANNUAL
4 APPROPRIATIONS FROM THE REVOLVING FUND FOR THE
5 DIRECT AND INDIRECT ADMINISTRATIVE COSTS OF THE
6 DIVISION OF CENTRAL SERVICES.

7 (2) Users of department services shall be charged the full cost of the
8 particular service, which shall include the cost of all material, labor, and
9 overhead.

10 (3) The executive director shall have a pricing policy of remaining
11 competitive with or at a lower rate than private industry in the operation of any
12 service function which the executive director establishes.

13 (4) The executive director shall keep a full, true, and accurate record of the
14 costs of providing each particular service.

15 **SECTION 5.** 24-30-1510, Colorado Revised Statutes, is included
16 in draft for reference:

17 **24-30-1510. Risk management fund - creation - authorized and**
18 **unauthorized payments.**

19 (1) There is hereby created in the state treasury a fund to be known as the
20 risk management fund ~~which shall consist of all moneys that may be~~
21 ~~appropriated thereto by the general assembly or that may be otherwise made~~
22 ~~available to it by the general assembly. Moneys "otherwise made available"~~
23 ~~shall be deemed to include transfers of moneys to the fund authorized in the~~
24 ~~general appropriation act.~~ All interest earned from the investment of moneys in
25 the risk management fund shall be credited to the risk management fund and
26 become a part thereof. The moneys in the fund are hereby continuously
27 appropriated for the purposes of the risk management fund other than the direct
28 and indirect administrative costs of ~~operating~~ the risk management system. The
29 general assembly shall make annual appropriations from the fund for the direct
30 and indirect administrative costs of ~~operating~~ the risk management system that
31 are attributable to ~~the operation of~~ the risk management fund. At the end of any
32 fiscal year, all unexpended and unencumbered moneys in the fund shall remain
33 therein and shall not be credited or transferred to the general fund or any other
34 fund.

35 **SECTION 6.** 24-30-1510.5, Colorado Revised Statutes, is
36 included for reference:

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1 24-30-1510.5. Self-insured property fund - creation - authorized and
2 unauthorized payments - executive director authorized to make payments.

3 (1) There is hereby created in the state treasury a fund to be known as the
4 self-insured property fund, which shall consist of all moneys that may be
5 appropriated thereto by the general assembly or which may be otherwise made
6 available to it by the general assembly. Moneys "otherwise made available"
7 shall be deemed to include transfers of moneys to the fund authorized in the
8 general appropriation act. All interest earned from the investment of moneys in
9 the self-insured property fund shall be credited to the self-insured property fund
10 and become a part thereof. The moneys in the fund are hereby continuously
11 appropriated for the purposes of the self-insured property fund other than the
12 direct and indirect administrative costs of ~~operating~~ the risk management
13 system. The general assembly shall make annual appropriations from the fund
14 for the direct and indirect administrative costs of ~~operating~~ the risk
15 management system that are attributable to the operation of the self-insured
16 property fund. At the end of any fiscal year, all unexpended and unencumbered
17 moneys in the fund shall remain therein and shall not be credited or transferred
18 to the general fund or any other fund.

19 (2) The self-insured property fund shall maintain reserves for incurred but
20 unpaid loss or damage claims to state property. ~~The self-insured property fund~~
21 ~~shall maintain reserves to provide for the contingency that the reserves set aside~~
22 ~~in the fund to meet estimated expenses are inadequate to cover the actual~~
23 ~~expenses realized.~~ The executive director shall recommend the amount of
24 money that is required to maintain adequate reserves. Adequate reserves shall
25 be maintained in the self-insured property fund subject to available
26 appropriations made by the general assembly in its discretion.

27 (3) Expenditures shall be made out of the self-insured property fund in
28 accordance with subsection (1) of this section only for the following purposes:

29 (a) To pay claims for loss or damage to state property subject to the
30 following conditions:

31 (I) Claims for loss or damage to real property shall be based on replacement
32 cost;

33 (II) Claims for loss or damage to personal property shall be based on actual
34 cash value;

35 (III) The loss or damage to property on which the claim is based shall have
36 been caused by one or more of the hazards covered under the self-insured
37 property fund as set forth in subsection (5) of this section;

38 (IV) The principal state department shall pay a one-thousand-dollar
39 deductible for each occurrence;

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1 (b) To procure and pay premiums for one or more policies of insurance
2 purchased pursuant to this part 15 to protect against loss or damage to state
3 property;

4 (c) To pay the administrative costs of operating the risk management
5 system.

6 (4) Moneys in the self-insured property fund shall not be used to pay the
7 following:

8 (a) Claims for loss or damage to state property which are specifically
9 insured by a commercial insurance policy;

10 (b) Claims for extra expense and normal wear and tear.

11 (5) The self-insured property fund shall provide self-insurance for loss or
12 damage to state property due to the following hazards:

13 (a) Fire and lightning; except that coverage shall not be provided if the state
14 agency does not report such incident or occurrence to the appropriate fire
15 department;

16 (b) Windstorm and hail;

17 (c) Debris removal in connection with a hazard that is covered under the
18 self-insured property fund;

19 (d) Explosion;

20 (e) Sudden and accidental damage from smoke;

21 (f) Vandalism and malicious mischief;

22 (g) Theft of state-owned property; except that coverage shall not be
23 provided if the state agency does not report such theft to the appropriate law
24 enforcement agency;

25 (h) Damage from the weight of ice or snow; except that outdoor equipment,
26 awnings, fences, pavements, patios, swimming pools, wharves, and docks are
27 not covered;

28 (i) Flood;

29 (j) Earthquake;

30 (k) Business interruption if the state is obligated under the terms of a lease
31 or bond issue to continue making payments on the state property after the loss
32 or damage has occurred and if the business interruption is caused by a hazard

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1 that is covered under the self-insured property fund;

2 (1) Any other hazard that the executive director determines pursuant to rule
3 and regulation is appropriate for inclusion under the self-insured property fund.

4 (6) The executive director or a designee of the executive director is
5 authorized to pay property claims of a state agency subject to available funds in
6 the self-insured property fund and subject to the limitations in this section. The
7 executive director or a designee of the executive director is authorized to
8 provide for the repair and replacement of property consistent with the
9 provisions of this part 15 and is authorized to provide for the payment of the
10 costs of such repair and replacement out of the self-insured property fund.
11 Disbursements from the self-insured property fund for claims of state agencies
12 for loss or damage to property shall be paid by the state treasurer upon warrants
13 drawn in accordance with the law upon vouchers issued by the department of
14 personnel.

15 **SECTION 7.** 24-30-1510.7, Colorado Revised Statutes, is
16 amended to read:

17 **24-30-1510.7. Workers' compensation for state employees.**

18 (1) There is hereby created, as a separate account in the risk management
19 fund, the state employee workers' compensation account, which shall consist of
20 all moneys which may be appropriated thereto by the general assembly and
21 which may be otherwise made available to it by the general assembly for the
22 purpose of establishing a workers' compensation self-insurance program for
23 state employees or for the procurement of commercial workers' compensation
24 insurance therefore, in accordance with subsection (2) of this section. As of
25 May 24, 1990, the state controller shall also transfer any moneys appropriated
26 to pay workers' compensation premiums for the 1989-90 fiscal year to the state
27 employee workers' compensation account. Moneys "otherwise made available"
28 shall be deemed to include transfers of moneys to the account authorized in the
29 general appropriation act. All interest earned from the investment of moneys in
30 the state employee workers' compensation account pursuant to this section shall
31 be credited to the account and become a part thereof. ~~Moneys in the state
32 employee workers' compensation account shall be subject to annual
33 appropriation by the general assembly for purposes of this section.~~ THE
34 MONEYS IN THE WORKERS' COMPENSATION ACCOUNT ARE
35 HEREBY CONTINUOUSLY APPROPRIATED FOR THE PURPOSES OF
36 THE WORKERS' COMPENSATION SELF-INSURANCE PROGRAM
37 OTHER THAN THE DIRECT AND INDIRECT ADMINISTRATIVE COSTS
38 OF OPERATING THE WORKERS' COMPENSATION PROGRAM. THE
39 GENERAL ASSEMBLY SHALL MAKE ANNUAL APPROPRIATIONS
40 FROM THE FUND FOR THE DIRECT AND INDIRECT
41 ADMINISTRATIVE COSTS OF THE WORKERS' COMPENSATION
42 PROGRAM. AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED

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1 AND UNENCUMBERED MONEYS IN THE ACCOUNT SHALL REMAIN
2 THEREIN AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
3 GENERAL FUND OR ANY OTHER FUND.

4 (2) Expenditures shall be made out of the state employee workers'
5 compensation account in the risk management fund in accordance with
6 subsection (1) of this section only for the following purposes:

7 (a) To pay workers' compensation benefits to state employees in accordance
8 with articles 40 to 47 of title [8](#), C.R.S., and to pay the administrative costs of
9 operating the department of personnel in relation to the workers' compensation
10 self-insurance program for state employees;

11 (b) To pay the premium for commercial workers' compensation insurance, if
12 the state elects not to be self-insured for workers' compensation purposes.

13 (3) Prior to July 1, 1990, nothing in this section shall apply to the
14 department of institutions; but this section shall apply to the department of
15 human services beginning on July 1, 1990.

16 (4) Amounts which are recorded in the state employee workers'
17 compensation account as claims, including reserves, but which are not required
18 to be paid in the current fiscal year shall not be considered as expenditures in
19 excess of the amount authorized by an item of appropriation for purposes of
20 section [24-75-109](#).

21 (5) (a) (I) Notwithstanding section [8-44-105](#), C.R.S., if the state elects to
22 self-insure workers' compensation claims as authorized in this section or to
23 insure for such claims through an entity other than Pinnacol Assurance, created
24 in section [8-45-101](#), C.R.S., on and after the effective date of such election, the
25 state shall be directly and primarily liable for all liabilities due on all workers'
26 compensation claims after such election that arise on and after the beginning
27 date of the initial policy period in the annually renewable memorandum of
28 agreement containing a premium payment plan in effect between the state and
29 Pinnacol Assurance.

30 ~~(II) In no event shall the department of personnel elect to self-insure for~~
31 ~~workers' compensation claims prior to the beginning of a fiscal year in which~~
32 ~~the general assembly appropriates sufficient funds for such self-insurance.~~

33 (b) (I) Funding of the liability obligations assumed by the state from
34 Pinnacol Assurance pursuant to paragraph (a) of this subsection (5) beyond a
35 current fiscal year is contingent upon funds for that purpose being appropriated,
36 budgeted, and otherwise made available.

37 (II) Nothing in this paragraph (b) shall be construed to relieve the state of
38 any liability obligation if the state elects to self-insure or insure through an
39 entity other than Pinnacol Assurance pursuant to paragraph (a) of this

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1 subsection (5).

2 (c) Notwithstanding the provisions of section [8-44-201](#) (1), C.R.S., if the
3 state elects to self-insure workers' compensation claims as authorized in this
4 section, the executive director of the department of labor and employment shall
5 not prescribe or apply security requirements in granting or continuing
6 permission for such state self-insurance program.

7 (7) Repealed.

8 **SECTION 8.** 24-50-613, Colorado Revised Statutes, is included
9 in draft for reference:

10 **24-50-613. Group benefit plans reserve fund.**

11 (1) There is hereby established the group benefit plans reserve fund. The
12 state treasurer shall be ex officio treasurer of this fund, and the state treasurer's
13 general bond to the state shall cover all liabilities for acts as treasurer of the
14 fund. The director shall remit to the treasurer for deposit in the group benefit
15 plans reserve fund all payments received by the director for group benefit plans
16 premium costs from employees and the state as employer. The director shall
17 also remit to the treasurer for deposit in the group benefit plans reserve fund
18 any payments received by the director from the carriers of group benefit plans.
19 Such payments shall not be included in the general revenues of the state of
20 Colorado and shall not be general assets of the state. At the end of the fiscal
21 year, any unexpended funds shall not revert to the general fund but shall be
22 held by the state treasurer in custodial capacity, to be used subject to direction
23 from the director.

24 (2) (a) Expenditures shall be made from the group benefit plans reserve
25 fund, upon certification by the director, for the payment of premiums, claims
26 costs, and other administrative fees and costs associated with the group benefit
27 plans.

28 (b) In the event that the director enters into contracts or renewals for group
29 benefit plans that are self-funded, the moneys in the group benefit plans reserve
30 fund shall be expended only for premiums, claims costs, other administrative
31 fees and costs associated with the group benefit plans, and for the purposes of
32 subsection (3) of this section. The moneys in the group benefit plans reserve
33 fund shall not be appropriated by the general assembly or expended by the
34 director for any other purpose.

35 (3) A premium stabilization reserve account shall be established within the
36 group benefit plans reserve fund the purpose of which is to offset unexpected
37 year-end deficits and extraordinary fluctuations in annual premiums. The
38 moneys in the account shall not be included in the general revenues of the state
39 and shall not be general assets of the state. The moneys in the account shall be

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1 expended for purposes of such fund and shall not be appropriated by the
2 general assembly or expended by the director for any other purpose.

3 (3.5) THERE IS HEREBY CREATED IN THE STATE TREASURY A
4 FUND TO BE KNOWN AS THE BENEFITS ADMINISTRATION FUND.
5 THE SOURCE OF MONEYS IN THE BENEFITS ADMINISTRATION
6 FUND SHALL BE TRANSFERS FROM THE GROUP BENEFIT PLANS
7 RESERVE FUND TO COVER THE DEPARTMENT'S DIRECT AND
8 INDIRECT ADMINISTRATIVE COSTS OF THE STATE EMPLOYEE
9 BENEFITS PROGRAM. ALL INTEREST EARNED FROM THE
10 INVESTMENT OF MONEYS IN THE BENEFITS ADMINISTRATION
11 FUND SHALL BE CREDITED TO THE FUND AND BECOME A PART
12 THEREOF. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
13 APPROPRIATIONS BY THE GENERAL ASSEMBLY FOR THE
14 DIRECT AND INDIRECT ADMINISTRATIVE COSTS OF PROVIDING
15 BENEFIT ADMINISTRATION SERVICES TO STATE AGENCIES. AT
16 THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND
17 UNENCUMBERED MONEYS IN THE FUND SHALL REMAIN
18 THEREIN AND SHALL NOT BE CREDITED OR TRANSFERRED TO
19 THE GENERAL FUND OR ANY OTHER FUND

20 (4) The state's cost of administering group benefit plans, other than the costs
21 provided for in subsection (2) of this section, is subject to annual appropriation
22 by the general assembly based on the submission by the director of a budget
23 request containing detailed information on current and projected administrative
24 costs, which include, but are not limited to, personal services, operating
25 expenses, travel expenses, utilization review, and implementation of a flexible
26 benefits plan.

27 (5) The director, from time to time, shall certify in writing to the state
28 treasurer for investment such portions of the group benefit plans reserve fund as
29 in the director's judgment may not be needed for the payment of premiums and
30 claims costs to the carriers. Such investments shall be made as determined by
31 the state treasurer and shall be limited to those securities authorized for
32 investment by the board of trustees of the public employees' retirement
33 association pursuant to section [24-51-206](#). Interest on the investment of the
34 group benefit plans reserve fund shall be credited to the fund.

35 **SECTION 9.** 24-82-103, Colorado Revised Statutes, is amended
36 to read:

37 **[24-82-103. Off-street parking - financing.](#)**

38 (1) The department of personnel shall have the authority to acquire land for
39 off-street parking and to construct related facilities, subject to specific
40 appropriation for land acquisition and construction.

41 (2) The department of personnel shall develop and execute priorities for

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1 assignment of off-street parking. Rentals and charges for state-owned parking
2 in the capitol buildings group shall not be less than those charges applicable to
3 comparable parking offered privately and shall be reviewed annually prior to
4 July 1.

5 (2.5) Notwithstanding the provisions of subsection (2) of this section,
6 preferential rates shall be granted for parking spaces assigned to vehicles which
7 are used by more than one person in going to and returning from work. Such
8 rate shall be determined based upon the number of persons regularly going to
9 and returning from work in the vehicle which is to be charged a preferential rate
10 and shall decrease as the number of persons regularly going to and from work
11 in such vehicle increases; except that no parking charge shall be made for any
12 vehicle which regularly carries four or more persons, including the driver, in
13 going to or returning from work. The office of state planning and budgeting
14 shall provide that not less than ten percent of the available off-street parking
15 shall be reserved for vanpool and carpool parking.

16 (3) All existing balance in the capitol parking account and the farmers'
17 union amortization account shall be transferred to the capital construction fund.

18 (4) (a) THERE IS HEREBY CREATED A CAPITOL PARKING FUND
19 ~~Moneys received pursuant to this section in excess of those necessary to pay~~
20 ~~current capital and operating costs TO PROVIDE OFF-STREET PARKING,~~
21 ~~which moneys to pay such costs are hereby appropriated, shall be deposited to~~
22 ~~the credit of a special account within the state treasury, and such moneys shall~~
23 ~~be expended only for TO PROVIDE incentives and programs to increase state~~
24 ~~employee participation in ridesharing arrangements, as defined in section [39-](#)~~
25 ~~[22-509](#) (1) (a) (II), C.R.S., and state employee use of bicycles or mass transit, -~~
26 ~~(b) Notwithstanding the provisions of paragraph (a) of this subsection (4), the~~
27 ~~department of personnel is authorized, subject to appropriation by the general~~
28 ~~assembly, to expend moneys in the special account described in paragraph (a)~~
29 ~~of this subsection (4) for the purpose of TO demolishing the state-owned~~
30 ~~buildings in the capitol complex at 1550 Lincoln street AND 1530 SHERMAN~~
31 ~~STREET, and making TO MAKE payments on a lease-purchase agreement for~~
32 ~~a parking structure on the southeast corner of fourteenth avenue and Lincoln~~
33 ~~street in the capitol complex. THE MONEYS IN THE FUND ARE HEREBY~~
34 ~~CONTINUOUSLY APPROPRIATED FOR THE PURPOSES STATED~~
35 ~~ABOVE.~~

36 (5) (a) There is hereby created in the department of personnel the capitol
37 parking authority, referred to in this subsection (5) as the "authority", which
38 shall be under the direction of the executive director of the department of
39 personnel and the director of the division of central services. The authority shall
40 constitute an enterprise for the purposes of section 20 of article X of the state
41 constitution so long as the authority retains the authority to issue revenue bonds
42 pursuant to paragraph (b) of this subsection (5), and the authority receives less
43 than ten percent of its total annual revenues from grants, as defined in section
44 [24-77-102](#) (7), from all Colorado state and local governments combined. So

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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1 long as the authority constitutes an enterprise pursuant to this section, the
2 authority shall not be subject to any of the provisions of section 20 of article X
3 of the state constitution.

4 (b) Subject to approval by the general assembly, either by bill or by joint
5 resolution, and after approval by the governor pursuant to section 39 of article
6 V of the state constitution, the authority is hereby authorized to issue revenue
7 bonds to finance the acquisition of land for off-street parking or the
8 construction of related facilities.

9 **SECTION 10.** 24-50-122, Colorado Revised Statutes is amended to
10 read:

11 **24-50-122. Opportunities for Training.**

12 (1) The state personnel director shall be responsible for the establishment
13 and maintenance of training programs for employees in the state personnel
14 system. He shall identify training needs for current and anticipated classes of
15 positions within the classified system, shall identify and recommend to the
16 governor and general assembly the most economical and effective means of
17 meeting those training needs, and shall regularly assess the effectiveness of
18 such training as may be conducted. State funds shall not be expended for the
19 training of employees in the state personnel system without the approval of the
20 state personnel director.

21 (2) THERE IS HEREBY CREATED IN THE STATE TREASURY A
22 FUND TO BE KNOWN AS THE PROFESSIONAL DEVELOPMENT
23 CENTER FUND. THE MONEYS IN THE FUND ARE HEREBY
24 CONTINUOUSLY APPROPRIATED FOR THE PURPOSE OF
25 RESPONDING TO THE TRAINING NEEDS OF THE STATE.

26
27 **SECTION 11. Safety clause.** The general assembly hereby finds,
28 determines, and declares that this act is necessary for the immediate
29 preservation of the public peace, health, and safety.
30