

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF FIGURE SETTING  
DEPARTMENT OF PERSONNEL**

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

**Prepared By:  
Alfredo Kemm, JBC Staff  
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For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

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# DEPARTMENT OF PERSONNEL

## Department Overview

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

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

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

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

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

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

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

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

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

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

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## **DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY**

### **Executive Request**

The Department's request includes:

- Five request items and one budget amendment totaling an additional \$2.1 million;
- Two common policy request items, two common policy budget amendment items, and common policy base adjustments totaling an additional \$6.9 million;
- Non-prioritized request items totaling an additional \$185,000;
- Compensation-related common policy adjustments totaling \$1.3 million;
- Operating common policy and OIT common policy adjustments totaling an additional \$2.3 million; and
- Annualizations and other technical and base adjustment decreases totaling \$586,000.

### **Committees of Reference SMART Act Recommendations**

The House Business, Labor, Economic, and Workforce Development Committee and the Senate Business, Labor, and Technology Committee had no recommendations for the JBC related to the Department of Personnel budget.

### **Staff Recommendation**

Staff's recommendation includes:

- Recommendation for approval of an additional \$1.4 million of the Department's request items;
- Recommendation for approval of an additional \$3.9 million of the Department's common policy request and budget amendment items and common policy base adjustments, with the \$2.3 million fleet budget amendment request pending operating common policy figure setting;
- Recommendation for approval of an additional \$1.3 million of compensation-related common policy items in accordance with Committee policy; and
- Recommendation for a net decrease of \$3.6 million for annualizations, technical and base adjustments, and staff recommended adjustments.

The staff recommendation is summarized in the following table.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Department of Personnel</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	160,064,533	6,639,194	11,997,536	141,427,803	395.4
SB 12-150	(42,961)	(42,961)	0	0	(0.5)
SB 13-099 (Supplemental)	4,164,600	6,920	568,381	3,589,299	2.0
<b>TOTAL</b>	<b>\$164,186,172</b>	<b>\$6,603,153</b>	<b>\$12,565,917</b>	<b>\$145,017,102</b>	<b>396.9</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$164,186,172	\$6,603,153	\$12,565,917	\$145,017,102	396.9
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-2: Tax Document Processing Pipeline Efficiencies	(168,226)	0	0	(168,226)	(7.2)
R-3: Resources for COFRS II eProcurement	1,541,184	0	1,541,184	0	3.0
R-4: Preservation of Records at State Archives	63,751	63,751	0	0	0.9
R-5: Departmental Adjustments	0	0	0	0	0.0
BA-1: Capitol Complex Leased Space True-up	44,540	0	0	44,540	0.0
BA-2: Statewide Training Funding Adjustment	0	0	0	0	0.0
BA-3: Fleet Request	2,277,661	0	0	2,277,661	0.0
CP-1: Capitol Complex Building Upgrade	281,111	0	0	281,111	0.0
CP-2: Employee Engagement Survey	0	0	0	0	0.0
CP-3: Operating Common Policy Base Adjustments	3,559,923	0	12,224	3,547,699	0.0
NPI-1: Capitol Complex Building Upgrade	125,655	80,813	13,446	31,396	0.0
NPI-2: Employee Engagement Survey Adjustment	2,349	623	214	1,512	0.0
NPI-3: OIT Enterprise Asset Management	6,301	1,669	575	4,057	0.0
NPI-4 to NPI-8: Fleet Requests From Other Departments	50,380	0	0	50,380	0.0
NPI-10: BA - Fleet Request	(546)	0	0	(546)	0.0
Compensation-related Common Policy Adjustments	1,348,645	281,109	109,573	957,963	0.0
OIT Common Policy Adjustments	1,245,730	278,086	26,908	940,736	0.0
Operating Common Policy Adjustments	1,056,580	638,206	176,947	241,427	0.0
Indirect Cost Assessment Adjustments	732,917	0	(97,476)	830,393	0.0
FY12-13 Supplemental Annualization	(4,164,600)	(6,920)	(568,381)	(3,589,299)	(2.0)
Staff Recommended Adjustments	(3,073,157)	0	(1,921,748)	(1,151,409)	0.0
Prior Year Annualizations	(712,937)	0	(300,000)	(412,937)	0.0
Other Technical and Base Adjustments	(585,882)	(2,739,157)	782,046	1,371,229	0.0
<b>TOTAL</b>	<b>\$167,817,551</b>	<b>\$5,201,333</b>	<b>\$12,341,429</b>	<b>\$150,274,789</b>	<b>391.6</b>
<b>Increase/(Decrease)</b>	<b>\$3,631,379</b>	<b>(\$1,401,820)</b>	<b>(\$224,488)</b>	<b>\$5,257,687</b>	<b>(5.3)</b>
<b>Percentage Change</b>	<b>2.2%</b>	<b>(21.2%)</b>	<b>(1.8%)</b>	<b>3.6%</b>	<b>(1.3%)</b>
<b>FY 2013-14 Executive Request:</b>					
<b>Request Above/(Below) Recommendation</b>	<b>\$172,210,539</b>	<b>\$5,682,518</b>	<b>\$14,286,437</b>	<b>\$152,241,584</b>	<b>393.4</b>
	\$4,392,988	\$481,185	\$1,945,008	\$1,966,795	1.8

## INITIATIVES AFFECTING MULTIPLE LINE ITEMS

### Request R-5 – Departmental Adjustments

- The Department requests budget-neutral adjustments to several line items to better align resources.
- Staff recommendations are provided at each line item affected by this request.

*Request:* The Department requests budget-neutral adjustments to 18 line items throughout the Department to better align resources. The requests include: (1) the transfer of programs and related funding from a current location to another division or subdivision; (2) the transfer of FTE with personal services resources from a current location to another division, subdivision, or program; and (3) the transfer of FTE without personal services resources from a current location to another division, subdivision, or program.

*Recommendation:* Staff recommendations are provided at each line item affected by this request. As a general rule, staff recommends the transfer of FTE without personal services based on separation of powers authority granted to the executive branch related to the administration of FTE. Additionally, staff is generally supportive of the transfer of FTE with personal services and the transfer of programs based on the Department's responsibility for efficient and effective management and program administration. While staff is generally supportive of the Department's R-5 request in principle, some elements of the request have been given additional scrutiny. Additionally, staff urges the Committee to be aware of the transfer of FTE for lines in which FTE are transferred out and a request item includes a request for additional FTE for the same line.

## (1) Executive Director’s Office

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

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

(1) Executive Director's Office					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	11,618,442	3,901,418	790,951	6,926,073	44.8
SB 13-099 (Supplemental)	25,261	6,920	2,178	16,163	0.0
<b>TOTAL</b>	<b>\$11,643,703</b>	<b>\$3,908,338</b>	<b>\$793,129</b>	<b>\$6,942,236</b>	<b>44.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$11,643,703	\$3,908,338	\$793,129	\$6,942,236	44.8
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-3: Resources for COFRS II eProcurement	0	0	0	0	0.0
R-4: Preservation of Records at State Archives	63,751	63,751	0	0	0.9
R-5: Departmental Adjustments	(128,823)	0	(128,823)	0	(2.0)
NPI-1: Capitol Complex Building Upgrade	125,655	80,813	13,446	31,396	0.0
NPI-2: Employee Engagement Survey Adjustment	2,349	623	214	1,512	0.0
NPI-3: OIT Enterprise Asset Management	6,301	1,669	575	4,057	0.0
NPI-10: BA - Fleet Request	(546)	0	0	(546)	0.0
Compensation-related Common Policy Adjustments	1,348,645	281,109	109,573	957,963	0.0
OIT Common Policy Adjustments	1,245,730	278,086	26,908	940,736	0.0
Operating Common Policy Adjustments	1,056,580	638,206	176,947	241,427	0.0
Indirect Cost Assessment Adjustments	(20,181)	0	0	(20,181)	0.0
FY 12-13 Supplemental Annualization	(25,261)	(6,920)	(2,178)	(16,163)	0.0
Other Technical and Base Adjustments	(585,882)	(1,273,744)	4,350	683,512	0.0
<b>TOTAL</b>	<b>\$14,732,021</b>	<b>\$3,971,931</b>	<b>\$994,141</b>	<b>\$9,765,949</b>	<b>43.7</b>
<b>Increase/(Decrease)</b>	<b>\$3,088,318</b>	<b>\$63,593</b>	<b>\$201,012</b>	<b>\$2,823,713</b>	<b>(1.1)</b>
Percentage Change	26.5%	1.6%	25.3%	40.7%	(2.5%)
<b>FY 2013-14 Executive Request:</b>	<b>\$14,982,510</b>	<b>\$4,277,520</b>	<b>\$1,017,401</b>	<b>\$9,687,589</b>	<b>43.7</b>
Request Above/(Below) Recommendation	\$250,489	\$305,589	\$23,260	(\$78,360)	0.0

### INITIATIVES AFFECTING MULTIPLE LINE ITEMS IN THIS DIVISION

- ➔ Request R-1 – Central Contracts Unit Resources
- ➔ Request R-3 – Resources for COFRS II eProcurement
- ➔ Request R-4 – Preservation of Records at State Archives

- The Department included adjustments for compensation-related pots as a part of its requests for additional FTE and personal services for request items R-1, R-3, and R-4.



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- Staff recommends not funding the adjustments included for this line item related to these requests in accordance with Committee policy regarding funding benefits for new FTE.

**(A) DEPARTMENT ADMINISTRATION**

<b>(1) Executive Director's Office, (A) Department Administration</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	9,493,045	2,842,782	551,826	6,098,437	19.8
SB 13-099 (Supplemental)	25,261	6,920	2,178	16,163	0.0
<b>TOTAL</b>	<b>\$9,518,306</b>	<b>\$2,849,702</b>	<b>\$554,004</b>	<b>\$6,114,600</b>	<b>19.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$9,518,306	\$2,849,702	\$554,004	\$6,114,600	19.8
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-3: Resources for COFRS II eProcurement	0	0	0	0	0.0
R-4: Preservation of Records at State Archives	0	0	0	0	0.0
R-5: Departmental Adjustments	(94,573)	0	0	(94,573)	(2.0)
NPI-1: Capitol Complex Building Upgrade	125,655	80,813	13,446	31,396	0.0
NPI-2: Employee Engagement Survey Adjustment	2,349	623	214	1,512	0.0
NPI-3: OIT Enterprise Asset Management	6,301	1,669	575	4,057	0.0
NPI-10: BA - Fleet Request	(546)	0	0	(546)	0.0
Compensation-related Common Policy Adjustments	1,348,645	281,109	109,573	957,963	0.0
OIT Common Policy Adjustments	1,245,730	278,086	26,908	940,736	0.0
Operating Common Policy Adjustments	1,056,580	638,206	176,947	241,427	0.0
FY12-13 Supplemental Annualization	(25,261)	(6,920)	(2,178)	(16,163)	0.0
Other Technical and Base Adjustments	(587,882)	(1,097,667)	(38,794)	548,579	0.0
<b>TOTAL</b>	<b>\$12,595,304</b>	<b>\$3,025,621</b>	<b>\$840,695</b>	<b>\$8,728,988</b>	<b>17.8</b>
<b>Increase/(Decrease)</b>	\$3,076,998	\$175,919	\$286,691	\$2,614,388	(2.0)
Percentage Change	32.3%	6.2%	51.7%	42.8%	(10.1%)
<b>FY 2013-14 Executive Request:</b>	<b>\$12,565,793</b>	<b>\$3,042,474</b>	<b>\$863,955</b>	<b>\$8,659,364</b>	<b>17.8</b>
Request Above/(Below) Recommendation	(\$29,511)	\$16,853	\$23,260	(\$69,624)	0.0

**Personal Services**

This line funds management staff in the areas of policy formulation, financial services, human resources, communications, and legislative relations.

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 17.8 FTE and \$1,587,245 total funds. The request includes a transfer of 1.0 FTE and \$93,623 to the Colorado State Employees Assistance Program (CSEAP) in the Statewide Special Purpose subdivision of the EDO, a transfer of 1.0 FTE and \$0 to the Colorado State Archives in the Statewide Special Purpose subdivision, and an increase of \$16,288 to restore the 1.0 percent base reduction from FY 2012-13 that was reduced in error from a program line with fewer than 20 FTE. The FTE and personal services transfer to the CSEAP represents the FTE assigned to the Ombuds Program to provide state employees with neutral, impartial, and confidential information and advice regarding work-related situations, options within the system rules, and avenues for the resolution of issues. The Department

*JBC Staff Figure Setting – FY 2013-14*  
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recently eliminated the program and the FTE will be assigned to the Statewide Employee Mediation Program in CSEAP.

**Recommendation:** Staff recommends an appropriation of 17.8 FTE and \$1,587,245 total funds. The recommendation includes approving elements of the Department's R-5 request included in this line as well as the technical correction that restores the base reduction taken in FY 2012-13.

<b>(1) Executive Director's Office, (A) Department Administration, Personal Services</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	1,664,580	15,648	1,648,932	19.8
<b>TOTAL</b>	<b>\$1,664,580</b>	<b>\$15,648</b>	<b>\$1,648,932</b>	<b>19.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$1,664,580	\$15,648	\$1,648,932	19.8
R-5: Departmental Adjustment (to CSEAP)	(93,623)	0	(93,623)	(1.0)
R-5: Departmental Adjustments (to Archives)	0	0	0	(1.0)
Other Technical and Base Adjustments	16,288	0	16,288	0.0
<b>TOTAL</b>	<b>\$1,587,245</b>	<b>\$15,648</b>	<b>\$1,571,597</b>	<b>17.8</b>
<b>Increase/(Decrease)</b>	(\$77,335)	\$0	(\$77,335)	(2.0)
<b>Percentage Change</b>	(4.6%)	0.0%	(4.7%)	(10.1%)
<b>FY 2013-14 Executive Request:</b>	<b>\$1,587,245</b>	<b>\$15,648</b>	<b>\$1,571,597</b>	<b>17.8</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Health, Life, and Dental**

This line funds the Department's share of the state's group health, life and dental insurance plans for state employees. Health, life, and dental is appropriated to the Executive Director's Office and distributed as needed to the divisions.

- ➔ **Request R-1 – Central Contracts Unit Resources**
- ➔ **Request R-3 – Resources for COFRS II eProcurement**
- ➔ **Request R-4 – Preservation of Records at State Archives**

- The Department included adjustments for Health, Life, and Dental as a part of its requests for additional FTE and personal services for request items R-1, R-3, and R-4.
- Staff recommends not funding the adjustments included for this line item related to these requests in accordance with Committee policy regarding funding benefits for new FTE.

**Request:** The Department requests \$2,521,080 total funds.

**Recommendation:** Staff recommends an appropriation of \$2,481,671 total funds in accordance with Committee policy.

*JBC Staff Figure Setting – FY 2013-14*  
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<b>(1) Executive Director's Office, (A) Department Administration, Health, Life, and Dental</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	2,323,160	644,083	169,530	1,509,547
<b>TOTAL</b>	<b>\$2,323,160</b>	<b>\$644,083</b>	<b>\$169,530</b>	<b>\$1,509,547</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$2,323,160	\$644,083	\$169,530	\$1,509,547
R-1: Central Contracts Unit Resources	0	0	0	0
R-3: Resources for COFRS II eProcurement	0	0	0	0
R-4: Preservation of Records at State Archives	0	0	0	0
Compensation-related Common Policy Adjustments	158,511	6,894	(13,897)	165,514
<b>TOTAL</b>	<b>\$2,481,671</b>	<b>\$650,977</b>	<b>\$155,633</b>	<b>\$1,675,061</b>
<b>Increase/(Decrease)</b>	\$158,511	\$6,894	(\$13,897)	\$165,514
Percentage Change	6.8%	1.1%	(8.2%)	11.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,521,080</b>	<b>\$666,747</b>	<b>\$175,582</b>	<b>\$1,678,751</b>
Request Above/(Below) Recommendation	\$39,409	\$15,770	\$19,949	\$3,690

**Short-term Disability**

Short-term disability coverage provides for the partial payment of an employee's salary if an individual becomes disabled and is unable to work (Section 24-50-603 (13), C.R.S.). The State fully funds this benefit for all employees, and it provides up to 60.0 percent of an employee's salary for a period not to exceed six months.

- ➔ Request R-1 – Central Contracts Unit Resources**
- ➔ Request R-3 – Resources for COFRS II eProcurement**
- ➔ Request R-4 – Preservation of Records at State Archives**

- The Department included adjustments for Short-term Disability as a part of its requests for additional FTE and personal services for request items R-1, R-3, and R-4.
- Staff recommends not funding the adjustments included for this line item related to these requests in accordance with Committee policy.

**Request:** The Departments requests \$38,750 total funds.

**Recommendation:** Staff recommends an appropriation of \$38,335 total funds in accordance with Committee policy.

*JBC Staff Figure Setting – FY 2013-14*  
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<b>(1) Executive Director's Office, (A) Department Administration, Short-term Disability</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	33,585	12,230	2,319	19,036
<b>TOTAL</b>	<b>\$33,585</b>	<b>\$12,230</b>	<b>\$2,319</b>	<b>\$19,036</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$33,585	\$12,230	\$2,319	\$19,036
R-1: Central Contracts Unit Resources	0	0	0	0
R-3: Resources for COFRS II eProcurement	0	0	0	0
R-4: Preservation of Records at State Archives	0	0	0	0
Compensation-related Common Policy Adjustments	4,750	806	548	3,396
<b>TOTAL</b>	<b>\$38,335</b>	<b>\$13,036</b>	<b>\$2,867</b>	<b>\$22,432</b>
<b>Increase/(Decrease)</b>	\$4,750	\$806	\$548	\$3,396
Percentage Change	14.1%	6.6%	23.6%	17.8%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$415	\$324	\$289	(\$198)

**S.B. 04-257 Amortization Equalization Disbursement**

This line provides additional funds to increase the employer's contribution for PERA, pursuant to Section 24-51-411 (3.2), C.R.S.

- ➔ **Request R-1 – Central Contracts Unit Resources**
- ➔ **Request R-3 – Resources for COFRS II eProcurement**
- ➔ **Request R-4 – Preservation of Records at State Archives**

- The Department included adjustments for AED as a part of its requests for additional FTE and personal services for request items R-1, R-3, and R-4.
- Staff recommends not funding the adjustments included for this line item related to these requests in accordance with Committee policy.

**Request:** The Department requests \$745,107 total funds.

**Recommendation:** Staff recommends an appropriation of \$732,739 total funds in accordance with Committee policy.

<b>(1) Executive Director's Office, (A) Department Administration, S.B. 04-257 Amortization Equalization Disbursement</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	635,318	223,125	48,191	364,002
<b>TOTAL</b>	<b>\$635,318</b>	<b>\$223,125</b>	<b>\$48,191</b>	<b>\$364,002</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$635,318	\$223,125	\$48,191	\$364,002
R-1: Central Contracts Unit Resources	0	0	0	0
R-3: Resources for COFRS II eProcurement	0	0	0	0
R-4: Preservation of Records at State Archives	0	0	0	0
Compensation-related Common Policy Adjustments	97,421	21,560	7,813	68,048
<b>TOTAL</b>	<b>\$732,739</b>	<b>\$244,685</b>	<b>\$56,004</b>	<b>\$432,050</b>
<b>Increase/(Decrease)</b>	\$97,421	\$21,560	\$7,813	\$68,048
Percentage Change	15.3%	9.7%	16.2%	18.7%
<b>FY 2013-14 Executive Request:</b>	<b>\$745,107</b>	<b>\$253,569</b>	<b>\$61,876</b>	<b>\$429,662</b>
Request Above/(Below) Recommendation	\$12,368	\$8,884	\$5,872	(\$2,388)

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

This line provides additional funds to increase the employer's contribution for PERA, pursuant to Section 24-51-411 (3.2), C.R.S.

- ➔ **Request R-1 – Central Contracts Unit Resources**
- ➔ **Request R-3 – Resources for COFRS II eProcurement**
- ➔ **Request R-4 – Preservation of Records at State Archives**

- The Department included adjustments for SAED as a part of its requests for additional FTE and personal services for request items R-1, R-3, and R-4.
- Staff recommends not funding the adjustments included for this line item related to these requests in accordance with Committee policy.

**Request:** The Department requests \$672,665 total funds.

**Recommendation:** Staff recommends an appropriation of \$660,716 total funds in accordance with Committee policy.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	545,059	190,830	41,414	312,815
<b>TOTAL</b>	<b>\$545,059</b>	<b>\$190,830</b>	<b>\$41,414</b>	<b>\$312,815</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$545,059	\$190,830	\$41,414	\$312,815
R-1: Central Contracts Unit Resources	0	0	0	0
R-3: Resources for COFRS II eProcurement	0	0	0	0
R-4: Preservation of Records at State Archives	0	0	0	0
Compensation-related Common Policy Adjustments	115,657	29,282	9,145	77,230
<b>TOTAL</b>	<b>\$660,716</b>	<b>\$220,112</b>	<b>\$50,559</b>	<b>\$390,045</b>
<b>Increase/(Decrease)</b>	\$115,657	\$29,282	\$9,145	\$77,230
Percentage Change	21.2%	15.3%	22.1%	24.7%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$11,949	\$8,804	\$5,301	(\$2,156)

**Salary Survey**

This line item provides funding to pay for annual increases for salary survey.

**Request:** The Department requests \$568,493 total funds.

**Recommendation:** Staff recommends an appropriation of \$664,921 total funds in accordance with Committee policy.

<b>(1) Executive Director's Office, (A) Department Administration, Salary Survey</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0
Compensation-related Common Policy Adjustments	664,921	136,518	83,711	444,692
<b>TOTAL</b>	<b>\$664,921</b>	<b>\$136,518</b>	<b>\$83,711</b>	<b>\$444,692</b>
<b>Increase/(Decrease)</b>	\$664,921	\$136,518	\$83,711	\$444,692
Percentage Change	0.0%	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	(\$96,428)	(\$24,753)	(\$8,151)	(\$63,524)

**Merit Pay**

This line item provides funding to pay for performance-based pay increases related to employee performance and evaluations.

**Request:** The Department requests \$307,703 total funds.

**Recommendation:** Staff recommends an appropriation of \$299,879 total funds in accordance with Committee policy.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, Merit Pay</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$0	\$0	\$0	\$0
Compensation-related Common Policy Adjustments	299,879	86,049	22,253	191,577
<b>TOTAL</b>	<b>\$299,879</b>	<b>\$86,049</b>	<b>\$22,253</b>	<b>\$191,577</b>
<b>Increase/(Decrease)</b>	\$299,879	\$86,049	\$22,253	\$191,577
Percentage Change	0.0%	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$7,824	\$7,824	\$0	\$0

**Shift Differential**

This line funds additional pay for employees who work outside of the regular Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. The Department uses its shift differential to provide building maintenance after hours and to provide mail and reprographics services, which sometimes requires work to be performed in the evenings and on weekends.

**Request:** The Department requests \$42,040 reappropriated funds.

**Recommendation:** Staff recommends an appropriation of \$47,088 reappropriated funds in accordance with Committee policy.

<b>(1) Executive Director's Office, (A) Department Administration, Shift Differential</b>	
	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	39,582
<b>TOTAL</b>	<b>\$39,582</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$39,582
Compensation-related Common Policy Adjustments	7,506
<b>TOTAL</b>	<b>\$47,088</b>
<b>Increase/(Decrease)</b>	\$7,506
Percentage Change	19.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$5,048)

**Workers' Compensation**

This line funds the Department's share of the state's workers' compensation program.

**Request:** The Department requests an appropriation of \$211,840 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

**Operating Expenses**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests \$99,531 reappropriated funds, which includes a transfer of \$950 to the CSEAP for operating expenses associated with the transfer of 2.0 FTE.

**Recommendation:** Staff recommends an appropriation of \$99,531 reappropriated funds, which includes approving the element of the Department's R-5 request included in this line.

<b>(1) Executive Director's Office, (A) Department Administration, Operating Expenses</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	100,481
<b>TOTAL</b>	<b>\$100,481</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$100,481
R-5: Departmental Adjustments (to CSEAP)	(950)
<b>TOTAL</b>	<b>\$99,531</b>
<b>Increase/(Decrease)</b>	<b>(\$950)</b>
Percentage Change	(0.9%)
<b>FY 2013-14 Executive Request:</b>	<b>\$99,531</b>
Request Above/(Below) Recommendation	\$0

**Legal Services**

This line is used to pay the Department of Law for the provision of legal services.

**Request:** The Department requests a continuation appropriation of 2,563 legal services hours. The request reflects a continuation appropriation of \$197,992 total funds.

**Recommendation:** Staff recommends a continuation appropriation of 2,563 hours of legal services; the dollar amount is pending. Staff will reflect Committee policy in the appropriation for this line item.

**Administrative Law Judge Services**

This line is used to fund the Department's share of statewide administrative law judge and paralegal services.

**Request:** The Department requests \$6,168 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

**Purchase of Services from Computer Center**

This line item is used to reimburse the Governor's Office of Information Technology (OIT) for the Department's share of the state's computer system.

**➔ NPI-3 OIT Enterprise Asset Management**

**Request:** The Department requests an appropriation of \$1,632,077 total funds, which includes a common policy base adjustment increase of \$1,498,374 total funds and a non-prioritized request item (NPI-3: OIT Enterprise Asset Management) increase of \$6,301 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.



*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, Purchase of Services from Computer Center</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	127,402	72,997	5,369	49,036
<b>TOTAL</b>	<b>\$127,402</b>	<b>\$72,997</b>	<b>\$5,369</b>	<b>\$49,036</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$127,402	\$72,997	\$5,369	\$49,036
NPI-3: OIT Enterprise Asset Management	6,301	1,669	575	4,057
OIT Common Policy Adjustment	1,498,374	349,202	47,657	1,101,515
<b>TOTAL</b>	<b>\$1,632,077</b>	<b>\$423,868</b>	<b>\$53,601</b>	<b>\$1,154,608</b>
<b>Increase/(Decrease)</b>	\$1,504,675	\$350,871	\$48,232	\$1,105,572
Percentage Change	1,181.0%	480.7%	898.3%	2,254.6%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

*OIT Common Policy Adjustment:* The common policy base adjustment reflects an increase of \$1.5 million from a \$127,000 base.

**Multiuse Network Payments**

This line funds the Department's share of costs associated with the statewide multi-use network.

**Request:** The Department requests \$203,749 total funds, which includes a common policy base adjustment decrease of \$216,415 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

<b>(1) Executive Director's Office, (A) Department Administration, Multiuse Network Payments</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	420,164	115,084	36,230	268,850
<b>TOTAL</b>	<b>\$420,164</b>	<b>\$115,084</b>	<b>\$36,230</b>	<b>\$268,850</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$420,164	\$115,084	\$36,230	\$268,850
OIT Common Policy Adjustment	(216,415)	(61,115)	(17,655)	(137,645)
<b>TOTAL</b>	<b>\$203,749</b>	<b>\$53,969</b>	<b>\$18,575</b>	<b>\$131,205</b>
<b>Increase/(Decrease)</b>	(\$216,415)	(\$61,115)	(\$17,655)	(\$137,645)
Percentage Change	(51.5%)	(53.1%)	(48.7%)	(51.2%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Management and Administration of OIT**

This line funds the internal office operations and support for OIT.

**Request:** The Department requests \$0, which includes a common policy base adjustment decrease of \$35,884 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, Management and Administration of OIT</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	35,884	9,829	3,094	22,961
<b>TOTAL</b>	<b>\$35,884</b>	<b>\$9,829</b>	<b>\$3,094</b>	<b>\$22,961</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$35,884	\$9,829	\$3,094	\$22,961
OIT Common Policy Adjustment	(35,884)	(9,829)	(3,094)	(22,961)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	(\$35,884)	(\$9,829)	(\$3,094)	(\$22,961)
<b>Percentage Change</b>	(100.0%)	(100.0%)	(100.0%)	(100.0%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**COFRS Modernization**

This line item funds the Department's share of the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

**Request:** The Department requests a continuation appropriation of \$288,061 total funds.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

**Payment to Risk Management and Property Funds**

This line funds the Department's share of statewide property and liability insurance coverage.

**➔ NPI-2 Employee Engagement Survey**

**Request:** The Department requests an appropriation of \$560,589 total funds. The request reflects a common policy base adjustment decrease of \$98,809 and a \$2,349 increase for the Department's share of the NPI-2 common policy request item (Employee Engagement Survey).

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, Payment to Risk Management and Property Funds</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	657,049	179,974	56,659	420,416
SB 13-099 (Supplemental)	25,261	6,920	2,178	16,163
<b>TOTAL</b>	<b>\$682,310</b>	<b>\$186,894</b>	<b>\$58,837</b>	<b>\$436,579</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$682,310	\$186,894	\$58,837	\$436,579
NPI-2: Employee Engagement Survey Adjustment	2,349	623	214	1,512
Operating Common Policy Adjustments	(98,809)	(32,110)	(5,770)	(60,929)
FY12-13 Supplemental Annualization	(25,261)	(6,920)	(2,178)	(16,163)
<b>TOTAL</b>	<b>\$560,589</b>	<b>\$148,487</b>	<b>\$51,103</b>	<b>\$360,999</b>
<b>Increase/(Decrease)</b>	(\$121,721)	(\$38,407)	(\$7,734)	(\$75,580)
<b>Percentage Change</b>	(17.8%)	(20.6%)	(13.1%)	(17.3%)
<b>FY 2013-14 Executive Request:</b>	<b>\$560,589</b>	<b>\$148,487</b>	<b>\$51,103</b>	<b>\$360,999</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

**Vehicle Lease Payments**

This line funds annual payments to the State Fleet Management Program for the cost of administration and lease-purchase installment payments for new and replacement motor vehicles.

**➔ NPI-10 BA Fleet Request**

**Request:** The Department requests \$89,256 total funds, which includes NPI-10, submitted as a budget amendment in the Department's Fleet Request for FY 2013-14. The NPI-10 request includes a vehicle lease payment adjustment decrease of \$546 and the replacement of four vehicles as recommended by Fleet Management. Justification for replacement of the vehicles is *very high mileage*, defined by Fleet Management as greater than 150,000 miles, which will typically result in higher maintenance and repair costs, lower reliability, and an increase in safety concerns. The following table details the vehicle replacement request.

<b>Summary of the FY 2013-14 Vehicle Replacement Request</b>			
Program	Type of Vehicle	Model Year	Projected Mileage July 2014
Mail Service	Cargo Van ¾ Ton	2008	185,233
Motor Pool	Pass Util Medium, 4x4 (5 Pass)	2006	155,625
Motor Pool	Pass Util Medium, 4x4 (5 Pass)	2000	154,627
Motor Pool	Pass Util Medium, 4x4 (5 Pass)	2006	171,003

**Recommendation:** Staff recommends the replacement of the four vehicles; the dollar amount is pending. Staff will reflect Committee policy in the appropriation for this line item.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (A) Department Administration, Vehicle Lease Payments</b>			
	Total Funds	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	89,802	2,256	87,546
<b>TOTAL</b>	<b>\$89,802</b>	<b>\$2,256</b>	<b>\$87,546</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$89,802	\$2,256	\$87,546
NPI-10: BA - Fleet Request	(546)	0	(546)
<b>TOTAL</b>	<b>\$89,256</b>	<b>\$2,256</b>	<b>\$87,000</b>
<b>Increase/(Decrease)</b>	(\$546)	\$0	(\$546)
Percentage Change	(0.6%)	0.0%	(0.6%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$0	\$0	\$0

**Leased Space**

This line funds the Department's lease obligations for private office space and other facilities that are not State-owned, including the lease for 64,310 square feet of space for executive offices at 633 17<sup>th</sup> Street and 2,690 square feet in Colorado Springs for the Office of Administrative Courts. The Department will be vacating its space at 633 17<sup>th</sup> Street mid-year in FY 2013-14 and occupying additional space in the Capitol Complex at 1525 Sherman Street.

**Request:** The Department requests \$666,423 total funds, which includes a \$604,170 decrease related to the Department vacating its space at 633 17<sup>th</sup> Street.

**Recommendation:** Staff recommends an appropriation of \$666,423 total funds.

<b>(1) Executive Director's Office, (A) Department Administration, Leased Space</b>				
	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	1,270,593	454,781	88,570	727,242
<b>TOTAL</b>	<b>\$1,270,593</b>	<b>\$454,781</b>	<b>\$88,570</b>	<b>\$727,242</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$1,270,593	\$454,781	\$88,570	\$727,242
Other Technical and Base Adjustments	(604,170)	(196,765)	(38,794)	(368,611)
<b>TOTAL</b>	<b>\$666,423</b>	<b>\$258,016</b>	<b>\$49,776</b>	<b>\$358,631</b>
<b>Increase/(Decrease)</b>	(\$604,170)	(\$196,765)	(\$38,794)	(\$368,611)
Percentage Change	(47.6%)	(43.3%)	(43.8%)	(50.7%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

*Other Technical and Base Adjustments:* The recommendation includes a \$604,170 decrease related to the Department vacating space at 633 17<sup>th</sup> Street.

**Capitol Complex Leased Space**

This line item pays for the Department's share of costs for occupying space in the Capitol Complex, including North Campus and 1881 Pierce Street, the Grand Junction State Services Building, and Camp George West. The Department's allocation for FY 2013-14 totals 196,510 square feet in the Capitol Complex, including 123,328 at Denver Buildings, 71,723 at North Campus, and 1,459 at Grand Junction. The Department's square foot allocation in the Denver Buildings reflects a net increase of 68,000 square feet over the FY 2012-13 allocation, which

includes an increase of 81,000 square feet in the State Services Building at 1525 Sherman Street and a decrease of 13,000 square feet in the Centennial Building. The Department's square foot allocation at the North Campus increased by 27,000 square feet over the FY 2012-13 allocation due to additional space available following the completion of asbestos contamination remediation; some of the space will be occupied by State Archives for storage while other space will remain vacant until a tenant is found.

<b>Capitol Complex Leased Space Square Foot Allocation</b>		
	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Denver Buildings	54,830	123,328
North Campus	44,807	71,723
Grand Junction	1,459	1,459
<b>Total</b>	<b>101,096</b>	<b>196,510</b>

**➔ NPI-1 Capitol Complex Building Upgrade and Repair**

**Request:** The Department requests funding for 196,510 square feet of combined Capitol Complex space, a 94.4 percent increase, and reflects a request for \$2,125,852 total funds. The request includes a \$1.3 million increase, a 153.8 percent increase, which reflects a common policy base adjustment increase of \$1.2 million and the Department's share of the non-prioritized common policy request item (NPI-1 Capitol Complex Building Upgrade and Repair) of \$126,000.

**Recommendation:** Staff recommends an appropriation for 196,510 square feet of combined Capitol Complex space. The rates for Capitol Complex Leased Space is pending. Staff will reflect Committee policy in the appropriation for this line item.

<b>(1) Executive Director's Office, (A) Department Administration, Capitol Complex Leased Space</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	837,576	611,783	32,971	192,822
<b>TOTAL</b>	<b>\$837,576</b>	<b>\$611,783</b>	<b>\$32,971</b>	<b>\$192,822</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$837,576	\$611,783	\$32,971	\$192,822
NPI-1: Capitol Complex Building Upgrade	125,655	80,813	13,446	31,396
Operating Common Policy Adjustments	1,162,621	674,613	181,063	306,945
Other Technical and Base Adjustments	0	(900,902)	0	900,902
<b>TOTAL</b>	<b>\$2,125,852</b>	<b>\$466,307</b>	<b>\$227,480</b>	<b>\$1,432,065</b>
<b>Increase/(Decrease)</b>	\$1,288,276	(\$145,476)	\$194,509	\$1,239,243
Percentage Change	153.8%	(23.8%)	589.9%	642.7%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,125,852</b>	<b>\$466,307</b>	<b>\$227,480</b>	<b>\$1,432,065</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0

*Other Technical and Base Adjustments:* The recommendation includes a funding adjustment that includes a General Fund offset related to the use of indirect cost recoveries.

**Communications Services Payments**

This line pays for the Department's share of the overhead costs related to the State's public safety communications infrastructure.

**Request:** The Department requests \$1,172 total funds, which includes a common policy base adjustment decrease of \$345.

**Recommendation:** This line item is pending. Staff will reflect Committee policy in the appropriation for this line item.

<b>(1) Executive Director's Office, (A) Department Administration, Communication Services Payments</b>			
	Total Funds	General Fund	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	1,517	758	759
<b>TOTAL</b>	<b>\$1,517</b>	<b>\$758</b>	<b>\$759</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$1,517	\$758	\$759
OIT Common Policy Adjustments	(345)	(172)	(173)
<b>TOTAL</b>	<b>\$1,172</b>	<b>\$586</b>	<b>\$586</b>
<b>Increase/(Decrease)</b>	(\$345)	(\$172)	(\$173)
Percentage Change	(22.7%)	(22.7%)	(22.8%)
<b>FY 2013-14 Executive Request:</b>	<b>\$1,172</b>	<b>\$586</b>	<b>\$586</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0

**(B) STATEWIDE SPECIAL PURPOSE**

<b>(1) Executive Director's Office, (B) Statewide Special Purpose</b>					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	2,125,397	1,058,636	239,125	827,636	25.0
<b>TOTAL</b>	<b>\$2,125,397</b>	<b>\$1,058,636</b>	<b>\$239,125</b>	<b>\$827,636</b>	<b>25.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$2,125,397	\$1,058,636	\$239,125	\$827,636	25.0
R-4: Preservation of Records at State Archives	63,751	63,751	0	0	0.9
R-5: Departmental Adjustments	(34,250)	0	(128,823)	94,573	0.0
Indirect Cost Assessment Adjustments	(20,181)	0	0	(20,181)	0.0
Other Technical and Base Adjustments	2,000	(176,077)	43,144	134,933	0.0
<b>TOTAL</b>	<b>\$2,136,717</b>	<b>\$946,310</b>	<b>\$153,446</b>	<b>\$1,036,961</b>	<b>25.9</b>
<b>Increase/(Decrease)</b>	\$11,320	(\$112,326)	(\$85,679)	\$209,325	0.9
Percentage Change	0.5%	(10.6%)	(35.8%)	25.3%	3.6%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,416,717</b>	<b>\$1,235,046</b>	<b>\$153,446</b>	<b>\$1,028,225</b>	<b>25.9</b>
Request Above/(Below) Recommendation	\$280,000	\$288,736	\$0	(\$8,736)	0.0

**(1) Colorado State Employees Assistance**

CSEAP offers counseling to employees and managers on workplace issues such as absenteeism, sexual harassment, substance abuse, time management, violence in the workplace, and other types of personal problems that may be affecting an employee's ability to perform well at work.

**Personal Services**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 11.0 FTE and \$715,500 reappropriated funds, which includes a transfer from Department Administration of 1.0 FTE and \$93,623. The FTE and personal services transfer from Department Administration represents the FTE assigned to the Ombuds Program to provide state employees with neutral, impartial, and confidential information and advice regarding work-related situations, options within the system rules, and avenues for the resolution of issues. The Department recently eliminated the program and the FTE will be assigned to the Statewide Employee Mediation Program in CSEAP.

**Recommendation:** Staff recommends an appropriation of 11.0 FTE and \$715,500 reappropriated funds.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (1) Colorado State Employees Assistance, Personal Services</b>		
	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	621,877	10.0
<b>TOTAL</b>	<b>\$621,877</b>	<b>10.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$621,877	10.0
R-5: Departmental Adjustments (from Dept Admin)	93,623	1.0
<b>TOTAL</b>	<b>\$715,500</b>	<b>11.0</b>
<b>Increase/(Decrease)</b>	\$93,623	1.0
Percentage Change	15.1%	10.0%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

**Operating Expenses**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests \$53,794 reappropriated funds, which includes a transfer from Department Administration of \$950 related to the 1.0 FTE transfer.

**Recommendation:** Staff recommends an appropriation of \$53,794 reappropriated funds.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (1) Colorado State Employees Assistance, Operating Expenses</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	52,844
<b>TOTAL</b>	<b>\$52,844</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$52,844
R-5: Departmental Adjustments (from Dept Admin)	950
<b>TOTAL</b>	<b>\$53,794</b>
<b>Increase/(Decrease)</b>	\$950
Percentage Change	1.8%
<b>FY 2013-14 Executive Request:</b>	<b>\$53,794</b>
Request Above/(Below) Recommendation	\$0

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$110,018 reappropriated funds, consistent with Committee policy.

**(2) Office of the State Architect**

The Office of the State Architect establishes policies and procedures for the State's capital construction process, including controlled maintenance, at each state agency and institutions of higher education. The Office provides project administration services to agencies that do not have technical staff experienced in project design and construction management, and establishes policies for State leases and real estate contracts.

**Office of the State Architect**

This line item is a program line that includes personal services and operating expenses.

**Request:** The Department requests a continuation appropriation of 5.0 FTE and \$467,005 General Fund. The request reflects estimates of \$450,828 for personal services and \$16,177 for operating expenses.

**Recommendation:** Staff recommends a continuation appropriation of 5.0 FTE and \$467,005 General Fund.

**(3) Colorado State Archives**

This section manages the State's Internet home page and sets records retention policies for state government. It also preserves and maintains historical documents pertaining to Colorado's history, and provides state agencies and the general public access to these records for legal and research purposes.

**➔ Request R-4 – Preservation of Records at State Archives**

**Request:** The Department requests an additional 0.9 FTE and \$58,098 General Fund in FY 2013-14, annualizing to 1.0 FTE and \$63,385 General Fund in FY 2014-15 and ongoing, for a General Professional IV to fill the role of Preservation Archivist. The Department also requests \$8,079 in compensation-related pots for FY 2013-14; this aspect of the request was addressed in



those line items located in the Departmental Administration subdivision of the Executive Director's Office.

Additionally, the Department requests an additional \$305,563 General Fund in FY 2013-14, annualizing to \$300,950 General Fund in FY 2014-15 and ongoing, for operating expenses. The operating expenses request includes \$5,563 (annualizing to \$950 ongoing) for operating expenses associated with the 1.0 FTE and \$300,000 for the preservation of historical records, including the digitization of legislative audio tapes.

**Recommendation:** Staff recommends the Committee approve the Department's request for a Preservation Archivist and the associated operating expenses for this 1.0 FTE. Staff does not recommend approval of the request for \$300,000 in ongoing operating expenses related to the preservation of historical records.

*Analysis:*

**The Deterioration and Inaccessibility of Legislative Audio Records**

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

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

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

**Department Estimate for Digitizing Audio**

The Department states that it has received an estimate of \$2.5 million to convert the 1973 through 1998 legislative audio tapes to digital format, provided by a company specializing in multi-track recordings and recognized internationally for working with old and fragile, open reel tape systems. The Department believes that it is reasonable to accomplish digitization in five to

seven years and has identified the targeted ongoing appropriation of \$300,000 in operating expenses for this project. The Department's request narrative includes an estimate of over 250,000 hours of audio records, while staff has reviewed other documents that suggest approximately 500,000 hours.

### **Staff's Concerns**

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

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

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

Additionally, the Department's request title and narrative uses the phrase, *preservation of historical records*. While not stated explicitly, the proposal in the request narrative suggests that the digitization of legislative audio tapes are only a part of the intended request, and not the sole goal of the request. The Department does not clearly identify what portion of the request is expected to be devoted to the digitization of legislative audio tapes.

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

### **Conclusion**

Staff's recommendation at briefing included proposed legislation for the formation of a legislative digital records policy advisory committee for the purpose of clearly identifying a plan for the digitization of legislative audio tapes at State Archives and for options for funding such a project. The advisory committee would be responsible for providing such a plan to the Joint Budget Committee and the Committee on Legal Services by November 1, 2013, for funding and execution beginning in FY 2014-15. House Bill 13-1182 is currently working its way through the legislative process.

Additionally, at briefing, staff recommended that the Department provide additional resource needs related to the immediate need for resolving playback machine failure issues. The Department stated at its budget hearing that machines were now repaired and operable and no additional resources were necessary in FY 2013-14 for the purpose of addressing machine failure for the immediate future.

State Archives inability to prepare a more thorough plan for the digitization of legislative audio tapes suggests that current staffing is likely inadequate to provide the office with the ability to do necessary strategic planning related to the preservation of state historical records including the transition to digitization of records. Therefore, in conjunction with staff's recommendation for the formation of a legislative digital records policy advisory committee that includes the State Archives participation as well as active involvement in the advisory committee in researching and preparing a plan, and may include the management and execution of a recommended plan, staff recommends funding the Department's request for the Preservation Archivist position.

### **Personal Services**



#### **Request R-4 – Preservation of Records at State Archives**

- The Department's request includes 0.9 FTE and \$58,098 General Fund in FY 2013-14, annualizing to 1.0 FTE and \$63,385 General Fund in FY 2014-15 and ongoing, for a General Professional IV to fill the role of Preservation Archivist.
- Staff recommends the Committee approve the Department's request for 0.9 FTE and \$58,098 General Fund for a Preservation Archivist.



#### **Request R-5 – Departmental Adjustments**

**Request:** The Department requests 9.9 FTE and \$588,111 total funds, which includes an increase of 0.9 FTE and \$58,000 for the Department's R-4 request item and an increase of 1.0 FTE for the Department's R-5 request item that transfers the FTE from the Department Administration subdivision. The Department's request includes funding adjustments to increase program funding from cash fees.

**Recommendation:** Staff recommends an appropriation of 9.9 FTE and \$588,111 total funds, including \$405,594 General Fund, \$153,446 cash funds, and \$29,071 reappropriated funds.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (3) Colorado State Archives, Personal Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	530,013	408,974	110,302	10,737	8.0
<b>TOTAL</b>	<b>\$530,013</b>	<b>\$408,974</b>	<b>\$110,302</b>	<b>\$10,737</b>	<b>8.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$530,013	\$408,974	\$110,302	\$10,737	8.0
R-4: Preservation of Records at State Archives	58,098	58,098	0	0	0.9
R-5: Departmental Adjustments (from Dept Admin)	0	0	0	0	1.0
Other Technical and Base Adjustments	0	(61,478)	43,144	18,334	0.0
<b>TOTAL</b>	<b>\$588,111</b>	<b>\$405,594</b>	<b>\$153,446</b>	<b>\$29,071</b>	<b>9.9</b>
<b>Increase/(Decrease)</b>	\$58,098	(\$3,380)	\$43,144	\$18,334	1.9
Percentage Change	11.0%	(0.8%)	39.1%	170.8%	23.8%
<b>FY 2013-14 Executive Request:</b>					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

*Other Technical and Base Adjustment:* The recommendation includes a funding adjustment to reflect increased program funding from cash fees.

**Operating Expenses**

**➔ Request R-4 – Preservation of Records at State Archives**

- The Department requests \$305,653 General Fund for FY 2013-14 (\$300,950 General Fund ongoing) which includes \$5,653 for operating expenses (\$950 ongoing) associated with the Preservation Archivist position, and \$300,000 in current and ongoing funding for the preservation of historical records.
- Staff recommends the Committee approve the Department's request for \$5,653 General Fund for operating expenses associated with the Preservation Archivist position and not approve the Department's request for \$300,000 General Fund for preservation of historical records.

**Request:** The Department requests \$362,447 General Fund, which includes a \$305,653 General Fund increase for the Department's R-4 request. The Department's request includes a funding adjustment related to indirect cost recoveries.

**Recommendation:** Staff recommends an appropriation of \$62,447 General Fund.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (3) Colorado State Archives, Operating Expenses</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	56,794	51,551	5,243
<b>TOTAL</b>	<b>\$56,794</b>	<b>\$51,551</b>	<b>\$5,243</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$56,794	\$51,551	\$5,243
R-4: Preservation of Records at State Archives	5,653	5,653	0
Other Technical and Base Adjustment	0	5,243	(5,243)
<b>TOTAL</b>	<b>\$62,447</b>	<b>\$62,447</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	<b>\$5,653</b>	<b>\$10,896</b>	<b>(\$5,243)</b>
Percentage Change	10.0%	21.1%	(100.0%)
<b>FY 2013-14 Executive Request:</b>	<b>\$362,447</b>	<b>\$362,447</b>	<b>\$0</b>
Request Above/(Below) Recommendation	\$300,000	\$300,000	\$0

*Other Technical and Base Adjustment:* The recommendation includes a funding adjustment related to the use of indirect cost recoveries.

#### **(4) Address Confidentiality Program**

House Bill 11-1080 transferred the existing Address Confidentiality Program from the Secretary of State to the Department. The program was established in the Department of State in 2007 to establish a confidential substitute address and mail forwarding system for program participants that are victims of domestic violence, sexual offenses, or stalking. The program is cash funded through a surcharge levied on convicted offenders, 95 percent of which is deposited in the Address Confidentiality Program Surcharge Fund for the program.

#### **Address Confidentiality Program**

This line item is a program line item which includes personal services and operating expenses.

#### **➔ Request R-5 – Departmental Adjustments**

- The Department requests the transfer of the Address Confidentiality Program to the Integrated Document Solutions unit in the Central Services Division due to the program's operational focus related to mail services.
- Staff recommends the Committee approve the Department's request to transfer the Address Confidentiality Program to the Integrated Document Solutions unit.

**Request and Recommendation:** The Department requests and staff recommends an appropriation of 0.0 FTE and \$0 cash funds reflecting the transfer of this program.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (4) Address Confidentiality Program, Address Confidentiality Program</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	128,823	2.0
<b>TOTAL</b>	<b>\$128,823</b>	<b>2.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$128,823	2.0
R-5: Departmental Adjustments	(128,823)	(2.0)
<b>TOTAL</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$128,823)	(2.0)
Percentage Change	(100.0%)	(100.0%)
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

RENUMBER SUB-SUBDIVISION (5) AS SUB-SUBDIVISION (4)

~~(5) Other Statewide Special Purpose~~

**(4) OTHER STATEWIDE SPECIAL PURPOSE**

**Test Facility Lease**

This line pays for a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo. In 1970, the State agreed to lease 33,492 acres of land from the State Land Board, and then sub-lease it to the U.S. Department of Transportation, Federal Railroad Commission free of charge. The land is used for a high-speed train test site, and the site currently employs approximately 450 people. The original 50-year lease agreement will expire on August 1, 2020.

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$119,842 reappropriated funds. The request includes a fund adjustment related to indirect cost recoveries.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, <del>(5)</del> (4) Other Statewide Special Purpose, Test Facility Lease</b>			
	Total Funds	General Fund	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	119,842	119,842	0
<b>TOTAL</b>	<b>\$119,842</b>	<b>\$119,842</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$119,842	\$119,842	\$0
Other Technical and Base Adjustment	0	(119,842)	119,842
<b>TOTAL</b>	<b>\$119,842</b>	<b>\$0</b>	<b>\$119,842</b>
<b>Increase/(Decrease)</b>	\$0	(\$119,842)	\$119,842
Percentage Change	0.0%	(100.0%)	0.0%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$0	\$0	\$0

*Other Technical and Base Adjustment:* The recommendation includes a funding adjustment related to the use of indirect cost recoveries.

### **Employment Security Contract Payment**

This appropriation supports a contract with a private company (Employer's Edge, LLC) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding the Department of Higher Education.

#### **➔ Request CP-3 – Operating Common Policy Base Adjustments**

The Department's budget request includes a technical and base adjustment transferring this payment to the Workers' Compensation Premiums common policy line item. However, the budget request and common policy request narratives include no explanation or justification for the requested transfer of this line item. Staff requested additional information from the Department and received a response on February 26<sup>th</sup> as follows:

*Currently, the Employment Security Contract Payment line item is appropriated within the Department of Personnel and Administration's Executive Director's Office. This line item supports a contract with a private company that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding institutions of higher education. Under the current financing methodology, the FY 2012-13 contract for \$18,000 (ratchets up to \$20,000 in FY 2013-14 per the contract) is financed by a direct General Fund appropriation and user fees from other agencies. This puts an undue burden on the General Fund and continues a misalignment of appropriations in that this functionality and funding would be more appropriately addressed through the workers' compensation common policy due to its synergy in billing for the expense. This is the best solution because it aligns the function of the Employment Security Contract Payment line item with the program that is most similar to it within the Department. In addition, this allows the Department to collect the funding through the common policy appropriation, which will alleviate some pressure on the General Fund.*

**Request:** The Department requests \$0 total funds. The Department's request includes a technical and base adjustment transferring this payment to the Workers' Compensation Premiums common policy line item. The Department's request also includes a \$2,000 base adjustment increase for a contract increase.

**Recommendation:** Staff recommends an appropriation of \$20,000 total funds, including \$11,264 General Fund and \$8,736 reappropriated funds. The Department's budget request and common policy request narratives include no explanation or justification for the requested transfer of this line item. Staff requested additional information from the Department and did not receive a response until February 26<sup>th</sup>. Staff's primary concern is that this line item is not related to the statewide workers' compensation program and should not be funded through the workers' compensation program and effectively hidden in the workers' compensation premiums line. Staff's additional concern is that this item was included without explanation or justification in the budget request.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(1) Executive Director's Office, (B) Statewide Special Purpose, (5) (4) Other Statewide Special Purpose, Employment Security Contract Payment</b>			
	Total Funds	General Fund	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	18,000	11,264	6,736
<b>TOTAL</b>	<b>\$18,000</b>	<b>\$11,264</b>	<b>\$6,736</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$18,000	\$11,264	\$6,736
Other Technical and Base Adjustment	2,000	0	2,000
<b>TOTAL</b>	<b>\$20,000</b>	<b>\$11,264</b>	<b>\$8,736</b>
<b>Increase/(Decrease)</b>	\$2,000	\$0	\$2,000
Percentage Change	11.1%	0.0%	29.7%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	(\$20,000)	(\$11,264)	(\$8,736)

*Other Technical and Base Adjustment:* The recommendation includes a \$2,000 increase for a contract increase.

## (2) Division of Human Resources

The division administers the State's classified personnel system, administers the employee benefits programs, manages statewide systems for payroll and employee databases, and operates the statewide risk management program, including the provision of property, casualty, and workers' compensation insurance.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>(2) Division of Human Resources</b>				
	Total Funds	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	60,187,916	2,314,729	57,873,187	41.7
SB 13-099 (Supplemental)	2,772,882	0	2,772,882	0.0
<b>TOTAL</b>	<b>\$62,960,798</b>	<b>\$2,314,729</b>	<b>\$60,646,069</b>	<b>41.7</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$62,960,798	\$2,314,729	\$60,646,069	41.7
R-5: Departmental Adjustments	0	0	0	5.0
BA-2: Statewide Training Funding Adjustment	0	0	0	0.0
CP-2: Employee Engagement Survey	0	0	0	0.0
CP-3: Operating Common Policy Base Adjustments	2,866,636	0	2,866,636	0.0
Indirect Cost Assessment Adjustments	(78,615)	(59,191)	(19,424)	0.0
FY12-13 Supplemental Annualization	(2,772,882)	0	(2,772,882)	0.0
<b>TOTAL</b>	<b>\$62,975,937</b>	<b>\$2,255,538</b>	<b>\$60,720,399</b>	<b>46.7</b>
<b>Increase/(Decrease)</b>	\$15,139	(\$59,191)	\$74,330	5.0
Percentage Change	0.0%	(2.6%)	0.1%	12.0%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$235,000	\$0	\$235,000	0.0



**(A) HUMAN RESOURCE SERVICES**

<b>(2) Division of Human Resources, (A) Human Resource Services</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	2,396,868	40,305	2,356,563	21.2
SB 13-099 (Supplemental)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,396,868</b>	<b>\$40,305</b>	<b>\$2,356,563</b>	<b>21.2</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$2,396,868	\$40,305	\$2,356,563	21.2
R-5: Departmental Adjustments	0	0	0	2.0
BA-2: Training Funding Adjustment	0	0	0	0.0
Indirect Cost Assessment Adjustments	(9,346)	0	(9,346)	0.0
FY12-13 Supplemental Annualization	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,387,522</b>	<b>\$40,305</b>	<b>\$2,347,217</b>	<b>23.2</b>
<b>Increase/(Decrease)</b>	(\$9,346)	\$0	(\$9,346)	2.0
<b>Percentage Change</b>	(0.4%)	0.0%	(0.4%)	9.4%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**(1) State Agency Services**

**Personal Services**

This section interprets applicable personnel rules and regulations, conducts the annual total compensation survey, and provides policy guidance for developing state benefits.

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 19.2 FTE and \$1,617,780 reappropriated funds from indirect cost recoveries, which includes a 1.0 FTE transfer to Risk Management included as an element of the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 19.2 FTE and \$1,617,780 reappropriated funds.

<b>(2) Division of Human Resources, (A) Human Resource Services, (1) State Agency Services, Personal Services</b>		
	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	1,617,780	20.2
<b>TOTAL</b>	<b>\$1,617,780</b>	<b>20.2</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$1,617,780	20.2
R-5: Departmental Adjustments	0	(1.0)
<b>TOTAL</b>	<b>\$1,617,780</b>	<b>19.2</b>
<b>Increase/(Decrease)</b>	\$0	(1.0)
<b>Percentage Change</b>	0.0%	(5.0%)
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

**Operating Expenses**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$88,496 reappropriated funds.

**(2) Training Services**

Pursuant to Section 24-50-122, C.R.S., this program provides training courses on supervision, program management, contract management, procurement procedures, violence prevention, and performance management to state employees.

**Personal Services**

- ➔ Request R-5 – Departmental Adjustments**
- ➔ Request BA-2 – Statewide Training Funding Adjustment**

**Request:** The Department requests 4.0 FTE and \$596,152 total funds. The request includes a transfer of 3.0 FTE from the State Purchasing Office in the Division of Accounts and Control – Controller included as an element of the Department's R-5 request and the Department's budget amendment BA-2 request, a net-neutral adjustment between the personal services and operating expenses line items. The BA-2 request is the ongoing request for the same item that was approved in the Department's supplemental appropriation for FY 2012-13.

**Recommendation:** Staff recommends an appropriation of 4.0 FTE and \$596,152 total funds, including \$33,417 cash funds and \$562,735 reappropriated funds.

<b>(2) Division of Human Resources, (A) Human Resource Services, (2) Training Services, Personal Services</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	653,578	36,837	616,741	1.0
SB 13-099 (Supplemental)	(57,426)	(3,420)	(54,006)	0.0
<b>TOTAL</b>	<b>\$596,152</b>	<b>\$33,417</b>	<b>\$562,735</b>	<b>1.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$596,152	\$33,417	\$562,735	1.0
R-5: Departmental Adjustments	0	0	0	3.0
BA-2: Statewide Training Funding Adjustment	(57,426)	(3,420)	(54,006)	0.0
FY12-13 Supplemental Annualization	57,426	3,420	54,006	0.0
<b>TOTAL</b>	<b>\$596,152</b>	<b>\$33,417</b>	<b>\$562,735</b>	<b>4.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	3.0
<b>Percentage Change</b>	0.0%	0.0%	0.0%	300.0%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Operating Expenses**

- ➔ Request BA-2 – Statewide Training Funding Adjustment**

**Request:** The Department requests \$80,542 total funds, which includes the Department's BA-2 request, a net-neutral adjustment between the personal services and operating expenses line items. The BA-2 request is the ongoing request for the same item that was approved in the Department's supplemental appropriation for FY 2012-13.

**Recommendation:** Staff recommends an appropriation of \$80,542 total funds, including \$6,888 cash funds and \$73,654 reappropriated funds.

<b>(2) Division of Human Resources, (A) Human Resource Services, (2) Training Services, Operating Expenses</b>			
	Total Funds	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	23,116	3,468	19,648
SB 13-099 (Supplemental)	57,426	3,420	54,006
<b>TOTAL</b>	<b>\$80,542</b>	<b>\$6,888</b>	<b>\$73,654</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$80,542	\$6,888	\$73,654
BA-2: Statewide Training Funding Adjustment	57,426	3,420	54,006
FY12-13 Supplemental Annualization	(57,426)	(3,420)	(54,006)
<b>TOTAL</b>	<b>\$80,542</b>	<b>\$6,888</b>	<b>\$73,654</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0
Percentage Change	0.0%	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$0	\$0	\$0

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$4,552 reappropriated funds, consistent with Committee policy.

**(B) EMPLOYEE BENEFITS SERVICES**

This section administers and oversees the state's employee benefits program and provides the initial design of the programs. It also provides the subsequent contractual, administrative, and financial management of these programs. The programs include dental plans, medical plans, an optional life and accidental death and disability plan, a short-term disability plan, a long-term disability plan, and Section 125 Flexible Spending Account Programs.

<b>(2) Division of Human Resources, (B) Employee Benefits Services</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	2,274,424	10.0
<b>TOTAL</b>	<b>\$2,274,424</b>	<b>10.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$2,274,424	10.0
R-5: Departmental Adjustments	0	2.0
Indirect Cost Assessment Adjustments	(59,191)	0.0
<b>TOTAL</b>	<b>\$2,215,233</b>	<b>12.0</b>
<b>Increase/(Decrease)</b>	(\$59,191)	2.0
Percentage Change	(2.6%)	20.0%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

**Personal Services**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 12.0 FTE and \$778,013 cash funds, which includes a transfer of 2.0 FTE from the Office of the State Controller included as an element of the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 12.0 FTE and \$778,013 cash funds.

<b>(2) Division of Human Resources, (B) Employee Benefits Services, Personal Services</b>		
	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	778,013	10.0
<b>TOTAL</b>	<b>\$778,013</b>	<b>10.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$778,013	10.0
R-5: Departmental Adjustments	0	2.0
<b>TOTAL</b>	<b>\$778,013</b>	<b>12.0</b>
<b>Increase/(Decrease)</b>	\$0	2.0
Percentage Change	0.0%	20.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$778,013</b>	<b>12.0</b>
Request Above/(Below) Recommendation	\$0	0.0

**Operating Expenses**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$58,324 cash funds.

**Utilization Review**

This appropriation funds audits of the State's employee group benefits plans to ensure that they are financially sound and accurate. The funds are used for two purposes: \$12,500 to pay for dues associated with membership in the Colorado Business Group on Health, a non-profit organization that represents large purchasers of health care services in the State; and \$27,500 for contractual services to analyze plan utilization and financial analysis. The contract services assess unit costs and cost drivers such as medical procedures and demographics. Cash funds are from the Group Benefit Plans Reserve Fund.

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$40,000 cash funds.

**H.B. 07-1335 Supplemental State Contribution Fund**

Pursuant to Section 24-50-609 (5), C.R.S., this line supplements the monthly state contribution amounts to the medical and dental benefit plan premiums of lower-income state employees who have at least one dependent (other than a spouse). The fund receives 4.5 percent of the tobacco-settlement revenue that is allocated for Tier 2 programs. These moneys are *continuously appropriated* and expended to pay the costs of increased non-supplemental state contributions, and to supplement the state contribution for employees enrolled in a qualifying group benefit plan.

**Request and Recommendation:** The Department requests and staff recommends reflecting an appropriation of \$1,278,660 cash funds for informational purposes.

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$60,236 cash funds, consistent with Committee policy.

**(C) RISK MANAGEMENT SERVICES**

This office protects the State's human resource and property assets through the administration of liability insurance, property insurance, workers' compensation, and loss control programs. Pursuant to Section 24-30-1504 (1) (g), C.R.S., the Department is *to establish and administer a program to reduce property and liability losses incurred by each state agency*. Services include accident investigation, legal defense, safety training, hazard mitigation, building inspection, insurance procurement, claim evaluation, and data collection.

**INITIATIVES AFFECTING MULTIPLE LINE ITEMS**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

Staff is recommending a restructuring of the Risk Management Services subdivision line items in the budget as detailed in individual line item recommendations for this subdivision and as outlined in the following table.

<b>Risk Management Program Line Items</b>		
	<b>Current</b>	<b>Recommended</b>
		<b>Administration Lines</b>
1	Personal Services	1 Personal Services
2	Operating Expenses	2 Operating Expenses
3	Legal Services	3 Actuarial and Broker Services
4	Liability Premiums	4 Workers' Compensation TPA Fees and Loss Control
5	Property Premiums	5 Risk Management Information System
6	Workers' Compensation Premiums	6 Indirect Cost Assessment
7	Indirect Cost Assessment	<b>Premiums Lines</b>
		7 Liability Claims
		8 Liability Excess Policy
		9 Liability Legal Services
		10 Property Policies
		11 Property Deductibles and Payouts
		12 Workers' Compensation Claims
		13 Workers' Compensation Excess Policy
		14 Workers' Compensation Legal Services

This recommendation for restructuring comes as a result of staff's experience analyzing and preparing a recommendation on the Department's December 2012, 1331 supplemental request for the Liability Program. The Department provided the following FY 2012-13 fund balance

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

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operating detail worksheet as a part of staff's information request related to the supplemental request.

<b>FY 2012-13 Liability Program Fund Balance Operating Detail</b>	
PS & Operating Expense	\$ 2,600,018
AUTO LIABILITY PREMIUMS	300,747
ADJUSTING SERVICES TPA FEES	251,672
ACTUARIAL SERVICES	36,000
RISK MANAGEMENT INFO. SYSTEM	13,450
INS BROKER SERVICES/ CONSULTING FEES	233,500
RISK IMPLEMENTATION	-
OTHER PROGRAM EXPENSES	350
LOSS CONTROL EXPENSE	
LIABILITY PAYMENTS	5,224,599
OUTSIDE LEGAL COUNSEL	846,969
CN PERA	11,419
<b>Total</b>	<b>\$ 9,518,724</b>

The following table outlines the FY 2012-13 figure-setting request and recommendation data used to build the figure-setting common policy program total for liability for allocation to state agencies.

<b>FY 2012-13 Figure-Setting Liability Program Costs</b>		
	Request	Recommend
Program Overhead	97,334	95,801
Premium Lines		
Prospective Losses Estimate	3,943,416	
Excess Auto	299,151	
Crime Policy	337,648	
Actuarial Services	39,500	
Broker Service Fees	8,573	
RMIS Service Fees	45,816	
Litigation Costs	-	
Prop Premiums Subtotal	4,674,104	4,674,104
Legal Services	<u>2,315,975</u>	<u>2,315,975</u>
<b>Total Liability Program Costs</b>	<b>7,087,413</b>	<b>7,085,880</b>

The Department stated that its *PS & Operating Expense* line showing \$2.6 million in expenditures includes legal services. That compares to the figure-setting data that budgeted \$2.4 million for program overhead and legal services. The Department's budget request shows nothing included for litigation costs, but its fund balance detail worksheet includes \$847,000 for outside legal counsel and \$11,000 for CN PERA, which the Department stated was also for outside legal counsel. Aside from a few lines that can clearly be connected, the Department's fund balance operating detail appears to have a minimal connection to the data used for figure-setting.

Additionally, staff recommends identifying *administrative* and *premiums/claims* lines clearly in the interest of program budget transparency and for consistency with legislative intent. The liability and property program funds statutes specify that funds from the funds are continuously appropriated except for administrative costs. The statute for the liability program's Risk Management Fund states that moneys in the fund are *continuously appropriated* for purposes of the fund, other than the direct and indirect administrative costs of operating the risk management system, pursuant to Section 24-30-1510 (1) (a), C.R.S. Similarly, the statute for the property program's Self-Insured Property Fund states that moneys in the fund are *continuously appropriated* for purposes of the fund, other than the direct and indirect administrative costs of operating the risk management system, pursuant to Section 24-30-1510.5 (1) (a), C.R.S.

Additionally, based on the Department's interest in adding unrelated funding requests and items to the risk management's *portfolio* of expense lines, staff recommends restructuring the risk management program in the budget to minimize the Department temptation to want to move additional line items, request items, and related and unrelated administrative expenses into the previously amorphous premiums lines. As relates to the Department's request for additional liability premiums allocations in its recent 1331 supplemental request, the Committee and the General Assembly are better served by the budget process in clearly seeing which line items are affected by extraordinary and unexpected expenses for the risk management programs.

<b>(2) Division of Human Resources, (C) Risk Management Services</b>		
	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	55,516,624	10.5
SB 13-099 (Supplemental)	2,772,882	0.0
<b>TOTAL</b>	<b>\$58,289,506</b>	<b>10.5</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$58,289,506	10.5
R-5: Departmental Adjustments	0	1.0
CP-2: Employee Engagement Survey	0	0.0
CP-3: Operating Common Policy Base Adjustments	2,866,636	0.0
Indirect Cost Assessment Adjustments	(10,078)	0.0
FY12-13 Supplemental Annualization	(2,772,882)	0.0
Staff Recommended Adjustments	0	0.0
<b>TOTAL</b>	<b>\$58,373,182</b>	<b>11.5</b>
<b>Increase/(Decrease)</b>	\$83,676	1.0
Percentage Change	0.1%	9.5%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$235,000	0.0

### **Personal Services**

#### **➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 11.5 FTE and \$753,646 reappropriated funds, which includes a 1.0 FTE transfer from State Agency Services included as an element of the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 11.5 FTE and \$753,646 reappropriated funds.

<b>(2) Division of Human Resources, (C) Risk Management Services, Personal Services</b>		
	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	753,646	10.5
<b>TOTAL</b>	<b>\$753,646</b>	<b>10.5</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$753,646	10.5
R-5: Departmental Adjustments	0	1.0
<b>TOTAL</b>	<b>\$753,646</b>	<b>11.5</b>
<b>Increase/(Decrease)</b>	\$0	1.0
<b>Percentage Change</b>	0.0%	9.5%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

**Operating Expenses**

**➔ Request CP-2 – Employee Engagement Survey**

- The Department requests \$215,000 in reappropriated funds for allocation through the *Payment to Risk Management and Property* common policy line item to fund a biennial survey to gauge employees' attitudes toward work and work environment, overall satisfaction, and to identify trends developing within the workforce.
- Staff does not recommend approval of the Department's request as an employee engagement survey does not provide *insurance* services that the liability program is intended to provide and that the line item (and common policy allocations) is intended to fund.

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

*Recommendation:* Staff recommends the Committee deny the Department's request as an employee engagement survey does not provide *insurance* services that the liability program is intended to provide and that the line item (and common policy allocations) is intended to fund.

*Analysis:* The Department has requested an amount equal to the amount expended to perform an employee engagement survey conducted in September 2011. The total cost of the first survey was \$211,400, and was funded through vacancy savings across two fiscal years and two different departments. In FY 2010-11, a total of \$105,900 was funded by \$49,500 from the Department of



Personnel and \$56,400 from the Office of State Planning and Budgeting; the funding from the Department of Personnel was generated through vacancy savings that provided \$47,000 from the Division of Human Resources (DHR) and \$2,500 from the Executive Director's Office (EDO). In FY 2011-12, the Department of Personnel paid for the remainder of the survey, \$105,500, again through vacancy savings in the DHR.

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

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

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

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

While the Department has established a slight connection between the requested survey and State liability, the statistics identified in the narrative do not appear to suggest that the first survey identified data that might help reduce the State's liability. The statistics outlined appear to represent standard job satisfaction data without a clear connection to reducing liability.

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

**Request:** The Department requests \$283,427 reappropriated funds, which includes the Department's CP-2 request of \$215,000 for an employee engagement survey to be funded by an allocation through the *payment to risk management and property funds* common policy line item.

**Recommendation:** Staff recommends a continuation appropriation of \$68,427 reappropriated funds.

<b>(2) Division of Human Resources, (C) Risk Management Services, Operating Expenses</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	68,427
<b>TOTAL</b>	<b>\$68,427</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$68,427
CP-2: Employee Engagement Survey	0
<b>TOTAL</b>	<b>\$68,427</b>
<b>Increase/(Decrease)</b>	<b>\$0</b>
Percentage Change	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$283,427</b>
Request Above/(Below) Recommendation	\$215,000

NEW LINE ITEM

**ACTUARIAL AND BROKER SERVICES**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds actuarial and broker services for risk management programs that were previously included within the risk management program premium lines.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$326,516 reappropriated funds. The recommendation amount is built on the Department's common policy build amounts that were included in the premium lines. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Actuarial and Broker Services</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	326,516
<b>TOTAL</b>	<b>\$326,516</b>
<b>Increase/(Decrease)</b>	<b>\$326,516</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$0</b>
Request Above/(Below) Recommendation	(\$326,516)

NEW LINE ITEM

**WORKERS' COMPENSATION TPA FEES AND LOSS CONTROL**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the third party administrator fees and loss control incentives that were previously included within the workers' compensation premium line.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$2,200,000 reappropriated funds. The recommendation amount is built on the Department's common policy build amounts that were included for these items in the workers' compensation premium line. Staff recommends this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Workers' Compensation TPA Fees and Loss Control</b>	
Reappropriated Funds	
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	2,200,000
<b>TOTAL</b>	<b>\$2,200,000</b>
<b>Increase/(Decrease)</b>	<b>\$2,200,000</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$2,200,000)

NEW LINE ITEM

**RISK MANAGEMENT INFORMATION SYSTEM**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the risk management information system service fees that were previously equally allocated to the three premium lines. The system tracks claims for the three insurance programs.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$137,448 reappropriated funds. The recommendation amount is built on the Department's common policy build amounts that were included for this item in each of the premium lines. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Risk Management Information System</b>	
<b>Reappropriated Funds</b>	
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	137,448
<b>TOTAL</b>	<b>\$137,448</b>
<b>Increase/(Decrease)</b>	<b>\$137,448</b>
Percentage Change	0.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$137,448)

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$42,010 reappropriated funds, consistent with Committee policy.

RENAME LINE ITEM

**Liability Premiums**

**LIABILITY CLAIMS**

- ➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**
- ➔ Request CP-3 – Operating Common Policy Base Adjustments**

Staff recommends renaming this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency. The State is self-insured for the Liability Program, and this line is used to pay for liability claims brought against the State. The program provides coverage to state agencies and employees for tort and federal claims, including those arising out of the scope of employment. Judgments for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S., limiting awards to \$150,000 per person and \$600,000 per occurrence. This act does *not* apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.), and there is no damage limit for these awards. This line is funded from the Risk Management Fund, created pursuant to Section 24-30-1510, C.R.S. Moneys in the fund are *continuously appropriated* for purposes of the fund, other than the direct and indirect administrative costs of operating the risk management system, pursuant to Section 24-30-1510 (1) (a), C.R.S.

**Request:** The Department requests \$4,977,729 reappropriated funds, which includes a common policy base adjustment increase of \$304,000.

**Recommendation:** Staff recommends reflecting an appropriation of \$4,584,689 reappropriated funds for informational purposes, which includes the Department's requested base adjustment increase of \$304,000 and staff's recommended adjustment decrease of \$393,000 for expenses previously included in this line and transferred to new line items.

<b>(2) Division of Human Resources, (C) Risk Management Services, Liability Claims</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	4,674,104
SB 13-099 (Supplemental)	2,772,882
<b>TOTAL</b>	<b>\$7,446,986</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$7,446,986
CP-3: Operating Common Policy Base Adjustments	303,625
FY12-13 Supplemental Annualization	(2,772,882)
Staff Recommended Adjustments	(393,040)
<b>TOTAL</b>	<b>\$4,584,689</b>
<b>Increase/(Decrease)</b>	<b>(\$2,862,297)</b>
<b>Percentage Change</b>	<b>(38.4%)</b>
<b>FY 2013-14 Executive Request:</b>	<b>\$4,977,729</b>
Request Above/(Below) Recommendation	\$393,040

NEW LINE ITEM

**RISK MANAGEMENT LIABILITY EXCESS POLICY**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the additional excess policies for the State's liability program that were previously included in the liability premium line.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends reflecting an appropriation of \$299,151 reappropriated funds for informational purposes. The recommendation amount is built on the Department's common policy build amounts that were included for this item in the liability premium line. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Liability Excess Policy</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	299,151
<b>TOTAL</b>	<b>\$299,151</b>
<b>Increase/(Decrease)</b>	<b>\$299,151</b>
<b>Percentage Change</b>	<b>100.0%</b>
<b>FY 2013-14 Executive Request:</b>	<b>\$0</b>
Request Above/(Below) Recommendation	(\$299,151)

RENAME LINE ITEM

**Legal Services**

**LIABILITY LEGAL SERVICES**

- ➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**
- ➔ Request CP-3 – Operating Common Policy Base Adjustments**

Staff recommends renaming this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency. Pursuant to Section 24-30-1507, C.R.S., this line funds the legal expenses associated with the Liability Program. Funds in the Liability Program are continuously appropriated for this line pursuant to Section 24-30-1510 (1) (a), C.R.S.

**Request:** The Department's request reflects an appropriation of \$3,056,460, which includes a liability program legal services base adjustment increase of \$595,275. *The Department's request does not reflect a legal services hours request. The Department's request is determined entirely on the dollar figure for liability program legal services as determined by the program's actuary.* The Department's requested increase is equivalent to 7,706 hours of additional legal services from the Department of Law at the FY 2012-13 legal services hourly rate of \$77.25.

**Recommendation:** Staff recommends that the Committee approve a continuation appropriation of 31,860 hours of legal services plus the number of hours purchased by the base adjustment increase request of \$595,000 at the FY 2013-14 legal services hourly rate. Staff requests permission to adjust this line based on Committee policy for the Department of Law.

<b>(2) Division of Human Resources, (C) Risk Management Services, Liability Legal Services</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	2,461,185
<b>TOTAL</b>	<b>\$2,461,185</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$2,461,185
CP-3: Operating Common Policy Base Adjustments	595,275
<b>TOTAL</b>	<b>\$3,056,460</b>
<b>Increase/(Decrease)</b>	\$595,275
Percentage Change	24.2%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	\$0

RENAME LINE ITEM

**Property Premiums**

**PROPERTY POLICIES**

- ➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**
- ➔ Request CP-3 – Operating Common Policy Base Adjustments**

Staff recommends renaming this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency. The property program pays for commercial insurance and associated deductibles for insurance

coverage of state properties. The program provides property loss coverage for state assets, including building and content value. This line includes the premiums and policy costs for commercial property insurance. The property program is funded from the Self-Insured Property Fund, created in Section 24-30-1510.5, C.R.S. Moneys in the fund are *continuously appropriated* for purposes of the fund, *other than the direct and indirect administrative costs of operating the risk management system*, pursuant to Section 24-30-1510.5 (1) (a), C.R.S.

<b>Property Policies Line Expenses</b>		
	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>
Property & Boiler Policies	\$4,394,224	\$4,394,224
Auto Physical Damage	\$19,455	\$19,455
Terrorism Premium	\$300,000	\$300,000
Flood Zone A Premiums	\$23,495	\$23,495
Crime Policy	\$0	\$337,648
<b>Property Premiums</b>	<b>\$4,737,174</b>	<b>\$5,074,822</b>

*Property & Boiler Policies:* These policies cover the State's \$9 billion in buildings, assets, and real property with a \$500,000 deductible.

*Auto Physical Damage:* This policy provides coverage for leased, rented, or borrowed vehicles.

*Terrorism Premium:* The State is required to buy an additional policy to secure the same type of coverage as offered under Property & Boiler Policies.

*Crime Policy:* This expense was previously included in the Liability Premiums line. This policy covers losses incurred as a result of criminal or dishonest behavior by state employees.

**Request:** The Department's request reflects an appropriation of \$8,254,831 reappropriated funds, which includes a common policy base adjustment decrease of \$443,586.

**Recommendation:** **Staff recommends reflecting an appropriation of \$5,074,822 reappropriated funds for informational purposes.** The recommendation includes the Department's base adjustment decrease and staff's recommended adjustment decrease of \$3.2 million representing transfers to new line items.

<b>(2) Division of Human Resources, (C) Risk Management Services, Property Policies</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	8,698,417
<b>TOTAL</b>	<b>\$8,698,417</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$8,698,417
CP-3: Operating Common Policy Base Adjustments	(443,586)
Staff Recommended Adjustments	(3,180,009)
<b>TOTAL</b>	<b>\$5,074,822</b>
<b>Increase/(Decrease)</b>	<b>(\$3,623,595)</b>
Percentage Change	(41.7%)
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	\$3,180,009

NEW LINE ITEM

**PROPERTY DEDUCTIBLES AND PAYOUTS**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the payment of deductibles and residuals as required by the property policies for the State's property insurance program. With the exception of extreme loss, the State is self-funded for the majority of claims filed under the property program.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends reflecting an appropriation of **\$2,909,193** reappropriated funds for informational purposes. The recommendation amount is built on the Department's common policy build amounts that were included for this item in the property premium line. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Property Deductibles and Payouts</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	2,909,193
<b>TOTAL</b>	<b>\$2,909,193</b>
<b>Increase/(Decrease)</b>	<b>\$2,909,193</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$2,909,193)



RENAME LINE ITEM

**Workers' Compensation Premiums**

**WORKERS' COMPENSATION CLAIMS**

➔ **Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

➔ **Request CP-3 – Operating Common Policy Base Adjustments**

Staff recommends renaming this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency. The workers' compensation program is used to pay workers' compensation benefits to state employees. Similar to the liability program, the State is self-insured for workers' compensation claims. However, unlike the liability program, the Governmental Immunity Act does not apply to workers' compensation claims. The two broad categories of workers' compensation payments are medical payments and indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum payment for medical benefits.

The Workers' Compensation Program is funded from the State Employee Workers' Compensation Account, a separate account within the Risk Management Fund, pursuant to Section 24-30-1510.7, C.R.S. Moneys in the State Workers' Compensation Account are *subject to annual appropriation* by the General Assembly for the purposes of paying workers' compensation benefits to state employees in accordance with articles 40 to 47 of Title 8, C.R.S.

**Request:** The Department requests \$41,240,079 reappropriated funds. The request includes a base adjustment increase of \$2,431,322 and includes moving the Employment Security Contract Payment that supports a contract with a private company (Employer's Edge, LLC) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, from the Executive Director's Office.

**Recommendation:** Staff recommends an appropriation of \$36,883,838 reappropriated funds, which includes approval of the base adjustment increase except for the request to move the Employment Security Contract Payment related to unemployment claims against the State into this workers' compensation line. The recommendation also includes a staff adjustment decrease of \$4.3 million representing the transfers to new line items of other expenses previously included in the workers' compensation premiums line.

<b>(2) Division of Human Resources, (C) Risk Management Services, Workers' Compensation Claims</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	38,808,757
<b>TOTAL</b>	<b>\$38,808,757</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$38,808,757
CP-3: Operating Common Policy Base Adjustments	2,411,322
Staff Recommended Adjustments	(4,336,241)
<b>TOTAL</b>	<b>\$36,883,838</b>
<b>Increase/(Decrease)</b>	(\$1,924,919)
Percentage Change	(5.0%)
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	\$4,356,241

NEW LINE ITEM

**WORKERS' COMPENSATION EXCESS POLICY**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the payment of the excess policy for the State's workers' compensation insurance program that limits the State's exposure in any one occurrence to \$10 million and covers the next \$50 million.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$951,893 reappropriated funds. The recommendation amount is built on the Department's common policy build amounts that were included for this item in the workers' compensation premium line. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Workers' Compensation Excess Policy</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	951,893
<b>TOTAL</b>	<b>\$951,893</b>
<b>Increase/(Decrease)</b>	\$951,893
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$951,893)

NEW LINE ITEM

**WORKERS' COMPENSATION LEGAL SERVICES**

**➔ Staff Recommended Adjustment – Restructure Risk Management Budget Lines**

This line item funds the payment of litigation costs and represents the amount the Department anticipates spending to have legal representation at workers' compensation hearings, as well as for expert opinions. This item is experiencing an increase over what was paid in previous years because the State's new third-party administrator (Broadspire) does not include litigation services within its TPA rate, whereas the previous TPA included this service.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of the number of legal services hours that can be purchased by \$1,085,089 at the FY 2013-14 legal services hourly rate. Staff requests permission to adjust this line as necessary based on Committee policy for the Department of Law. The recommendation amount is built on the Department's common policy build amounts that were included for this item in the property premium line. Staff recommends adding this line item in the interest of budget accuracy in identifying *administrative* and *claims* lines clearly and in the interest of program budget transparency.

<b>(2) Division of Human Resources, (C) Risk Management Services, Workers' Compensation Legal Services</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustments	1,085,089
<b>TOTAL</b>	<b>\$1,085,089</b>
<b>Increase/(Decrease)</b>	<b>\$1,085,089</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$1,085,089)

### (3) Constitutionally Independent Entities

This Division currently includes only the State Personnel Board.

#### **DIVISION REQUEST AND RECOMMENDATION SUMMARY**

<b>(3) Constitutionally Independent Entities, (A) Personnel Board</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	519,601	498,945	1,178	19,478	4.8
<b>TOTAL</b>	<b>\$519,601</b>	<b>\$498,945</b>	<b>\$1,178</b>	<b>\$19,478</b>	<b>4.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$519,601	\$498,945	\$1,178	\$19,478	4.8
Other Technical and Base Adjustments	0	19,478	0	(19,478)	0.0
<b>TOTAL</b>	<b>\$519,601</b>	<b>\$518,423</b>	<b>\$1,178</b>	<b>\$0</b>	<b>4.8</b>
<b>Increase/(Decrease)</b>	\$0	\$19,478	\$0	(\$19,478)	0.0
<b>Percentage Change</b>	0.0%	3.9%	0.0%	(100.0%)	0.0%
<b>FY 2013-14 Executive Request:</b>					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**Other Technical and Base Adjustment:** The recommendation includes a net-neutral funding adjustment related to the use of indirect cost recoveries.

#### **(A) PERSONNEL BOARD**

The State Personnel Board is authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. Pursuant to Section 24-50-103, C.R.S., the Board has the authority to adopt by rule a uniform grievance procedure to be used by all departments and state agencies for classified employees in the state personnel system. The Board is responsible for the following: adjudicating employment disputes within the state classified system; promulgating rules to ensure that state employment is based on merit; conducting administrative hearings; promulgating rules under the authority of the State Administrative Procedures Act; and facilitating dispute resolution.

##### **Personal Services**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of 4.8 FTE and \$473,603 total funds, including \$472,425 General Fund and \$1,178 cash funds.

##### **Operating Expenses**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$20,505 General Fund. The recommendation includes a funding adjustment due to reduced indirect cost recoveries.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>(3) Constitutionally Independent Entities, (A) Personnel Board, Operating Expenses</b>			
	Total Funds	General Fund	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	20,505	1,027	19,478
<b>TOTAL</b>	<b>\$20,505</b>	<b>\$1,027</b>	<b>\$19,478</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$20,505	\$1,027	\$19,478
Other Technical and Base Adjustment	0	19,478	(19,478)
<b>TOTAL</b>	<b>\$20,505</b>	<b>\$20,505</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	\$0	\$19,478	(\$19,478)
Percentage Change	0.0%	1,896.6%	(100.0%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$0	\$0	\$0

*Other Technical and Base Adjustment:* The recommendation includes a net-neutral fund adjustment related to the use of indirect cost recoveries.

**Legal Services**

**Request:** The Department requests a continuation appropriation of 330 hours of legal services and reflects a continuation appropriation of \$25,493 General Fund.

**Recommendation:** Staff recommends a continuation appropriation of 330 hours of legal services; the dollar amount is pending Committee policy setting the legal services hourly rate for FY 2013-14. Staff requests permission to adjust the line once Committee policy is established.

## (4) Central Services

This division is responsible for providing statewide support services such as document management and mail services, fleet management, and facilities maintenance.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

(4) Central Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	74,456,490	46,130	1,526,982	72,883,378	192.8
SB 13-099 (Supplemental)	800,254	0	0	800,254	0.0
<b>TOTAL</b>	<b>\$75,256,744</b>	<b>\$46,130</b>	<b>\$1,526,982</b>	<b>\$73,683,632</b>	<b>192.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$75,256,744	\$46,130	\$1,526,982	\$73,683,632	192.8
R-2: Tax Document Processing Pipeline Efficiencies	(168,226)	0	0	(168,226)	(7.2)
R-5: Departmental Adjustments	27,966	0	27,966	0	0.0
BA-1: Capitol Complex Leased Space True-up	44,540	0	0	44,540	0.0
BA-3: Fleet Request	2,277,661	0	0	2,277,661	0.0
CP-1: Capitol Complex Building Upgrade	281,111	0	0	281,111	0.0
CP-3: Operating Common Policy Base Adjustments	693,287	0	0	693,287	0.0
NPI-4 to NPI-8: Fleet Requests From Other Departments	50,380	0	0	50,380	0.0
Indirect Cost Assessment Adjustments	714,851	0	0	714,851	0.0
FY12-13 Supplemental Annualization	(800,254)	0	0	(800,254)	0.0
Staff Recommended Adjustments	(1,169,021)	0	(17,612)	(1,151,409)	0.0
Other Technical and Base Adjustments	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$77,209,039</b>	<b>\$46,130</b>	<b>\$1,537,336</b>	<b>\$75,625,573</b>	<b>185.6</b>
<b>Increase/(Decrease)</b>	\$1,952,295	\$0	\$10,354	\$1,941,941	(7.2)
Percentage Change	2.6%	0.0%	0.7%	2.6%	(3.7%)
<b>FY 2013-14 Executive Request:</b>					
<b>Request Above/(Below) Recommendation</b>	<b>\$1,818,372</b>	<b>\$0</b>	<b>\$8,217</b>	<b>\$1,810,155</b>	<b>0.0</b>

**(A) ADMINISTRATION**

The Administration section provides services such as management, human resources, accounting, and marketing.

<b>(4) Central Services, (A) Administration</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	928,126	114,480	813,646	10.0
<b>TOTAL</b>	<b>\$928,126</b>	<b>\$114,480</b>	<b>\$813,646</b>	<b>10.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$928,126	\$114,480	\$813,646	10.0
R-5: Departmental Adjustments	(110,337)	(100,857)	(9,480)	(2.0)
Indirect Cost Assessment Adjustments	(44,631)	0	(44,631)	0.0
<b>TOTAL</b>	<b>\$773,158</b>	<b>\$13,623</b>	<b>\$759,535</b>	<b>8.0</b>
<b>Increase/(Decrease)</b>	(\$154,968)	(\$100,857)	(\$54,111)	(2.0)
Percentage Change	(16.7%)	(88.1%)	(6.7%)	(20.0%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$763,763	\$4,228	\$759,535	8.0
	(\$9,395)	(\$9,395)	\$0	0.0

**Personal Services**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 8.0 FTE and \$649,250 reappropriated funds, which includes a transfer of 2.0 FTE and \$91,355 reappropriated funds, representing the Statewide Travel Management Program, to the State Purchasing Office in the Division of Accounts and Control – Controller as an element of the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 8.0 FTE and \$649,250 reappropriated funds.

<b>(4) Central Services, (A) Administration, Personal Services</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	740,605	91,355	649,250	10.0
<b>TOTAL</b>	<b>\$740,605</b>	<b>\$91,355</b>	<b>\$649,250</b>	<b>10.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$740,605	\$91,355	\$649,250	10.0
R-5: Departmental Adjustments	(91,355)	(91,355)	0	(2.0)
<b>TOTAL</b>	<b>\$649,250</b>	<b>\$0</b>	<b>\$649,250</b>	<b>8.0</b>
<b>Increase/(Decrease)</b>	(\$91,355)	(\$91,355)	\$0	(2.0)
Percentage Change	(12.3%)	(100.0%)	0.0%	(20.0%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$649,250	\$0	\$649,250	8.0
	\$0	\$0	\$0	0.0

**Operating Expenses**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests \$58,445 reappropriated funds, which includes a transfer of \$9,480 reappropriated funds, representing the State ID Card Program, to Capitol Complex and

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

\$9,502 cash funds, representing the operating expenses of the Statewide Travel Management Program, to the State Purchasing Office as elements of the Department's R-5 request.

**Recommendation: Staff recommends an appropriation of \$58,445 reappropriated funds.**

<b>(4) Central Services, (A) Administration, Operating Expenses</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	77,427	9,502	67,925
<b>TOTAL</b>	<b>\$77,427</b>	<b>\$9,502</b>	<b>\$67,925</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$77,427	\$9,502	\$67,925
R-5: Departmental Adjustments	(18,982)	(9,502)	(9,480)
<b>TOTAL</b>	<b>\$58,445</b>	<b>\$0</b>	<b>\$58,445</b>
<b>Increase/(Decrease)</b>	(\$18,982)	(\$9,502)	(\$9,480)
Percentage Change	(24.5%)	(100.0%)	(14.0%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$0	\$0	\$0

**Indirect Cost Assessment**

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests \$56,068 total funds, which includes an indirect cost assessment adjustment decrease of \$44,631 reappropriated funds and a transfer of \$9,395 cash funds to the State Purchasing Office for the personal services line as an element of the Department's R-5 request.

**Recommendation: Staff recommends an appropriation of \$65,463 total funds,** consistent with Committee policy. Staff does not recommend approving the transfer of funds from this indirect cost assessment line to the personal services line in the State Purchasing Office as a part of the Department's R-5 request. The indirect cost assessment is set by the State Controller's Office in the State Indirect Cost Plan and approved by the Committee.

<b>(4) Central Services, (A) Administration, Indirect Cost Assessment</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	110,094	13,623	96,471
<b>TOTAL</b>	<b>\$110,094</b>	<b>\$13,623</b>	<b>\$96,471</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$110,094	\$13,623	\$96,471
R-5: Departmental Adjustments	0	0	0
Indirect Cost Assessment Adjustments	(44,631)	0	(44,631)
<b>TOTAL</b>	<b>\$65,463</b>	<b>\$13,623</b>	<b>\$51,840</b>
<b>Increase/(Decrease)</b>	(\$44,631)	\$0	(\$44,631)
Percentage Change	(40.5%)	0.0%	(46.3%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	(\$9,395)	(\$9,395)	\$0



**(B) INTEGRATED DOCUMENT SOLUTIONS**

Integrated Document Solutions (IDS) includes operations that were formerly defined as three units including Reprographics Services, the Document Solutions Group, and Mail Services; the IDS line items were consolidated in FY 2012-13. IDS provide services such as graphic design, print operations, data entry, imaging services, and mail operations. The division has facilities in Pueblo and Denver, and it serves state agencies, institutions of higher education, and local governments. IDS is funded by the Department of Personnel Revolving Fund, which is comprised of revenue from user agencies (Section 24-30-1108 (1), C.R.S.).

<b>(4) Central Services, (B) Integrated Document Solutions</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	20,956,185	46,130	1,122,226	19,787,829	113.6
<b>TOTAL</b>	<b>\$20,956,185</b>	<b>\$46,130</b>	<b>\$1,122,226</b>	<b>\$19,787,829</b>	<b>113.6</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$20,956,185	\$46,130	\$1,122,226	\$19,787,829	113.6
R-2: Tax Document Processing Pipeline Efficiencies	(168,226)	0	0	(168,226)	(7.2)
R-5: Departmental Adjustments	128,823	0	128,823	0	2.0
Indirect Cost Assessment Adjustments	(535,833)	0	0	(535,833)	0.0
Staff Recommended Adjustments	(1,169,021)	0	(17,612)	(1,151,409)	0.0
<b>TOTAL</b>	<b>\$19,211,928</b>	<b>\$46,130</b>	<b>\$1,233,437</b>	<b>\$17,932,361</b>	<b>108.4</b>
<b>Increase/(Decrease)</b>	(\$1,744,257)	\$0	\$111,211	(\$1,855,468)	(5.2)
Percentage Change	(8.3%)	0.0%	9.9%	(9.4%)	(4.6%)
<b>FY 2013-14 Executive Request:</b>					
Request Above/(Below) Recommendation	\$1,296,011	\$0	\$17,612	\$1,278,399	0.0

**➔ Request R-2 – Tax Document Processing Pipeline Efficiencies**

- The Department's request as updated proposes a net decrease of \$168,000 reappropriated funds that include a decrease of 7.2 FTE and \$263,000 in personal services and an increase of \$95,000 in operating expenses for the Department operating budget portion of the *Department of Revenue Pipeline Lean Project*.
- Staff recommends that the Committee approve the Department's request as updated.

*Original Request:* The Department's original request includes a net \$41,236 decrease in reappropriated funds and a reduction of 7.2 FTE to account for efficiencies gained through the *Department of Revenue Pipeline Lean Project*. The original request includes a personal services decrease of \$262,743 and 7.2 FTE, representing six months of savings in FY 2013-14 for the new process scheduled for implementation January 1, 2014, and partially offset by an increase in operating expenses of \$221,507. In FY 2014-15 the Department expected to realize a full year of savings in personal services totaling \$525,486 and 14.5 FTE, while ongoing operating expenses would decrease to \$135,517. As a part of the entire lean project request, the Department also submitted a corresponding capital construction request for FY 2013-14, the Department of Revenue submitted an operating budget request, and the Governor's Office of Information Technology also submitted a capital construction request. The operating expenses increase in

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

FY 2013-14 is to fund maintenance, licenses, and equipment not qualified for inclusion in the capital construction request, but required for implementation. Additionally, the net reduction of 7.2 FTE includes a decrease of 7.5 data entry FTE with an increase of 0.3 FTE for a Production II position to oversee the document destruction process.

*Updated Request Information:* The Department updated staff on February 20<sup>th</sup> that estimates for the operating budget of the project had changed based on RFP information as follows.

<b>R-2 Operating Expenses</b>				
	<b>Original Request</b>		<b>Updated Information</b>	
	FY 13-14	FY 14-15	FY 13-14	FY 14-15
High-Speed Mail Opener	\$23,490	\$0	\$0	\$0
Data-Perfection Seats	62,500	0	62,500	0
High-Speed Scanner Annual Maintenance	60,000	60000	0	129527
Software Annual Maintenance	43,500	43,500	0	72,701
Data-Perfection Annual Maintenance	11,250	11,250	11,250	11,250
Document Destruction	20,767	20,767	20,767	20,767
<b>Total</b>	<b>\$221,507</b>	<b>\$135,517</b>	<b>\$94,517</b>	<b>\$234,245</b>

*Recommendation:* Staff recommends the Committee approve the Department's R-2 request as updated.

*Analysis:* The following table outlines the line item adjustments and savings related to this request as updated:

<b>R-2 Effect on Integrated Document Solutions Appropriations</b>			
	FY 12-13	FY 13-14	FY 14-15
	Approp.	Request as Updated	
FTE Base	113.6		
FTE Change		(7.2)	(14.5)
FTE Total		106.4	99.1
Personal Services Base	\$ 6,160,955		
PS Change		(262,743)	(525,486)
Personal Services Total		5,898,212	5,635,469
Operating Expenses Base	12,412,890		
OE Change		94,517	234,245
Operating Expenses Total		12,507,407	12,647,135
Total PS and OE	18,573,845	18,405,619	18,282,604
Change in Approp.		(168,226)	(123,015)
Cumulative Savings			(291,241)
<b>Annual Out-Year Savings Relative to FY 12-13 Base</b>			<b>\$ (291,241)</b>

While the Department's original request delivered \$390,000 in out-year saving relative to the FY 2012-13 appropriations base, the project continues to show savings of \$291,000 and 14.5 FTE.

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

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

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

### **Personal Services**



#### **Request R-2 – Tax Document Processing Pipeline Efficiencies**

- The Department's request as updated proposes a decrease of 7.2 FTE and \$263,000 in personal services Department operating budget portion of the *Department of Revenue Pipeline Lean Project*.
- Staff recommends that the Committee approve the Department's request as updated.

**Request:** The Department requests 106.4 FTE and \$5,898,212 total funds, which includes a decrease of 7.2 FTE and \$262,743 reappropriated funds related to the Department's R-2 request.

**Recommendation:** Staff recommends an appropriation of 106.4 FTE and \$5,898,212 total funds, including \$133,509 cash funds and \$5,764,703 reappropriated funds. Staff recommends approving the Department's R-2 request.

*JBC Staff Figure Setting – FY 2013-14  
Staff Working Document – Does Not Represent Committee Decision*

<b>(4) Central Services, (B) Integrated Document Solutions, Personal Services</b>				
	Total Funds	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	6,160,955	133,509	6,027,446	113.6
<b>TOTAL</b>	<b>\$6,160,955</b>	<b>\$133,509</b>	<b>\$6,027,446</b>	<b>113.6</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$6,160,955	\$133,509	\$6,027,446	113.6
R-2: Tax Document Processing Pipeline Efficiencies	(262,743)	0	(262,743)	(7.2)
<b>TOTAL</b>	<b>\$5,898,212</b>	<b>\$133,509</b>	<b>\$5,764,703</b>	<b>106.4</b>
<b>Increase/(Decrease)</b>	(\$262,743)	\$0	(\$262,743)	(7.2)
Percentage Change	(4.3%)	0.0%	(4.4%)	(6.3%)
<b>FY 2013-14 Executive Request:</b>	<b>\$5,898,212</b>	<b>\$133,509</b>	<b>\$5,764,703</b>	<b>106.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**Personal Services Contingency Funds**

**→ Staff Recommended Adjustment**

For FY 2012-13, the Integrated Document Solutions (IDS) sub-subdivisions, comprised of Reprographic Services, the Document Solutions Group, and Mail Services, were consolidated into a single subdivision, IDS, as requested by the Department. The consolidation provided the Department with additional budget flexibility for operational and business processes that had become more integrated and seamless. In FY2011-12, the personal services and operating lines were split into primary and contingency funds lines; contingency funds represented additional spending authority in the event the units completed additional work in excess of the spending authority provided in the primary line items. The following table outlines recent historical expenditure and appropriation information for the Integrated Document Solutions personal services and operating expenses, shown as consolidated lines.

<b>Integrated Document Solutions Expenditures</b>			
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Approp
Personal Services	\$ 5,081,976	\$ 5,138,111	\$ 6,160,955
PS Contingency	---	<u>48,725</u>	<u>468,656</u>
PS Total	5,081,976	5,186,836	6,629,611
Operating Expenses	11,061,390	11,701,956	12,412,890
OE Contingency	---	<u>0</u>	<u>700,365</u>
OE Total	\$ 11,061,390	\$ 11,701,956	\$ 13,113,255

The Department availed itself of \$48,725 in contingency spending authority for the Reprographics Services personal services contingency funds in FY 2011-12. However, the additional budget flexibility provided by the unit consolidation in FY 2012-13 suggests that the contingency line items are no longer necessary. The FY 2012-13 primary personal services and operating expenses lines are 18.8 percent and 6.1 percent greater, respectively, than the total personal services and operating expenses expenditures in FY 2011-12.

**Request:** The Department requests a continuation appropriation of \$468,656 total funds.

**Recommendation:** Staff recommends eliminating this line item.

<b>(4) Central Services, (B) Integrated Document Solutions, Personal Services Contingency Funds</b>				
	Total Funds	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	468,656	8,106	460,550	0.0
<b>TOTAL</b>	<b>\$468,656</b>	<b>\$8,106</b>	<b>\$460,550</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$468,656	\$8,106	\$460,550	0.0
Staff Recommended Adjustment	(468,656)	(8,106)	(460,550)	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$468,656)	(\$8,106)	(\$460,550)	0.0
Percentage Change	(100.0%)	(100.0%)	(100.0%)	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$468,656</b>	<b>\$8,106</b>	<b>\$460,550</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$468,656	\$8,106	\$460,550	0.0

### Operating Expenses

**➔ Request R-2 – Tax Document Processing Pipeline Efficiencies**

- The Department's request as updated proposes an increase of \$95,000 in operating expenses for the Department operating budget portion of the *Department of Revenue Pipeline Lean Project*.
- Staff recommends that the Committee approve the Department's request as updated.

**Request:** The Department's original request reflected \$12,634,397 total funds, which includes an increase of \$221,507 reappropriated funds related to the Department's R-2 request.

**Recommendation:** Staff recommends an appropriation of **\$12,507,407 total funds**, including \$971,105 cash funds and \$11,536,302 reappropriated funds, which incorporates the changed estimates for the project as reported by the Department. Staff recommends approving the Department's R-2 request as updated.

<b>(4) Central Services, (B) Integrated Document Solutions, Operating Expenses</b>			
	Total Funds	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	12,412,890	971,105	11,441,785
<b>TOTAL</b>	<b>\$12,412,890</b>	<b>\$971,105</b>	<b>\$11,441,785</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$12,412,890	\$971,105	\$11,441,785
R-2: Tax Document Processing Pipeline Efficiencies	94,517	0	94,517
<b>TOTAL</b>	<b>\$12,507,407</b>	<b>\$971,105</b>	<b>\$11,536,302</b>
<b>Increase/(Decrease)</b>	\$94,517	\$0	\$94,517
Percentage Change	0.8%	0.0%	0.8%
<b>FY 2013-14 Executive Request:</b>	<b>\$12,634,397</b>	<b>\$971,105</b>	<b>\$11,663,292</b>
Request Above/(Below) Recommendation	\$126,990	\$0	\$126,990

**Operating Expenses Contingency Funds**

**➔ Staff Recommended Adjustment**

**Request:** The Department requests a continuation appropriation of \$700,365 total funds.

**Recommendation:** Staff recommends eliminating this line item.

<b>(4) Central Services, (B) Integrated Document Solutions, Operating Expenses Contingency Funds</b>			
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	700,365	9,506	690,859
<b>TOTAL</b>	<b>\$700,365</b>	<b>\$9,506</b>	<b>\$690,859</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$700,365	\$9,506	\$690,859
Staff Recommended Adjustment	(700,365)	(9,506)	(690,859)
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	(\$700,365)	(\$9,506)	(\$690,859)
Percentage Change	(100.0%)	(100.0%)	(100.0%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$700,365	\$9,506	\$690,859

*Staff Recommended Adjustment:* The recommendation includes eliminating this line item as explained in the analysis included in the personal services contingency funds line item.

**Utilities**

This line supports the utility costs associated with IDS operations in Pueblo.

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$69,000 reappropriated funds.

**Mail Equipment Purchase**

This line funds a five-year lease-purchase agreement (FY 2010-11 through FY 2014-15) for new mail equipment, allowing the Department to process the State's mail in a manner that provides cost reductions from the United States Postal Service.

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of \$223,754 total funds, including \$46,130 General Fund and \$177,624 reappropriated funds.

**Address Confidentiality Program**

House Bill 11-1080 transferred the existing Address Confidentiality Program from the Secretary of State to the Department. The program was established in the Department of State in 2007 to establish a confidential substitute address and mail forwarding system for program participants that are victims of domestic violence, sexual offenses, or stalking. The program is cash funded through a surcharge levied on convicted offenders, 95 percent of which is deposited in the Address Confidentiality Program Surcharge Fund for the program.

**➔ Request R-5 – Departmental Adjustments**

- The Department requests the transfer of the Address Confidentiality Program to the Integrated Document Solutions unit in the Central Services Division due to the program's operational focus related to mail services.
- Staff recommends the Committee approve the Department's request to transfer the Address Confidentiality Program to the Integrated Document Solutions unit.

**Request and Recommendation:** The Department requests and staff recommends an appropriation of 2.0 FTE and \$128,823 cash funds, which represents a continuation appropriation for the program and reflects the transfer of this program from the Executive Director's Office as an element of the Department's R-5 request.

<b>(4) Central Services, (B) Integrated Document Solutions, Address Confidentiality Program</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$0	0.0
R-5: Departmental Adjustments	128,823	2.0
<b>TOTAL</b>	<b>\$128,823</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$128,823	2.0
Percentage Change	0.0%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$128,823</b>	<b>2.0</b>
Request Above/(Below) Recommendation	\$0	0.0

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$384,732 reappropriated funds, consistent with Committee policy.

**(C) FLEET MANAGEMENT PROGRAM AND MOTOR POOL SERVICES**

State Fleet Management provides oversight for all vehicles in the State fleet program, including vehicle purchasing, management of maintenance, repairs, and preventative services, collision management, vehicle reassignment, fleet monitoring and reporting, and the auction and salvage of older vehicles, as well as operating the State motor pool.

Vehicles have two main types of expenses: variable and fixed. **Variable costs** are determined by how much the vehicle is used, and typically included in a Department's **Operating Expenses, Program, or Special Purpose** line items. **Fixed costs** are the vehicle lease payments and the Department's vehicle management fee. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles leases for 48 months. Departments are assessed an average vehicle management fee of \$35 per vehicle, per month, to fund Fleet Management Program's overhead costs. Fixed costs are reflected in each Department's **Vehicle Lease Payments** line item.

<b>(4) Central Services, (C) Fleet Management Program and Motor Pool Services</b>		
	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	42,834,398	14.0
<b>TOTAL</b>	<b>\$42,834,398</b>	<b>14.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$42,834,398	14.0
BA-3: Fleet Request	2,277,661	0.0
NPI-4 to NPI-8: Fleet Requests From Other Departments	50,380	0.0
Indirect Cost Assessment Adjustments	(316,748)	0.0
Staff Recommended Adjustments	0	0.0
<b>TOTAL</b>	<b>\$44,845,691</b>	<b>14.0</b>
<b>Increase/(Decrease)</b>	\$2,011,293	0.0
Percentage Change	4.7%	0.0%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	\$0	0.0

**Personal Services**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of 14.0 FTE and \$737,783 reappropriated funds.

**Operating Expenses**

**➔ Staff Recommended Adjustment – Split Fleet Management Operating Expense Line**

This line item includes program operating expenses as well as fuel and automotive supplies. Using the Department's schedule 14 – position and object code details for this line item, staff identified \$25.5 million in estimated expenditures for fuel and automotive supplies and \$214,000 in estimated expenditures for program operating expenses. Staff recommends creating a new line item for fuel and automotive supplies as these items represent 99.2 percent of the requested appropriation for this line item.

**Request:** The Department requests a continuation appropriation of \$25,728,564 reappropriated funds.

**Recommendation:** Staff recommends an appropriation of \$214,271 reappropriated funds for program operating expenses.



<b>(4) Central Services, (C) Fleet Management Program and Motor Pool Services, Operating Expenses</b>	
	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	25,728,564
<b>TOTAL</b>	<b>\$25,728,564</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$25,728,564
Staff Recommended Adjustment	(25,514,293)
<b>TOTAL</b>	<b>\$214,271</b>
<b>Increase/(Decrease)</b>	(\$25,514,293)
Percentage Change	(99.2%)
<b>FY 2013-14 Executive Request:</b>	<b>\$25,728,564</b>
Request Above/(Below) Recommendation	\$25,514,293

*Staff Recommended Adjustment:* The recommendation includes a transfer of \$25.5 million to a new line item for fuel and automotive supplies.

**➔ Staff Recommended Adjustment – Split Fleet Management Operating Expense Line**  
 NEW LINE ITEM

**FUEL AND AUTOMOTIVE SUPPLIES**

As detailed in the operating expenses line item analysis, this line item funds the purchase of fuel and automotive supplies for the state fleet, representing 99.2 percent of the operating expenses line continuation appropriation request.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$25,514,293 reappropriated funds.

<b>(4) Central Services, (C) Fleet Management Program and Motor Pool Services, Fuel and Automotive Supplies</b>	
	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
Staff Recommended Adjustment	25,514,293
<b>TOTAL</b>	<b>\$25,514,293</b>
<b>Increase/(Decrease)</b>	\$25,514,293
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$0</b>
Request Above/(Below) Recommendation	(\$25,514,293)

*Staff Recommended Adjustment:* The recommendation includes a transfer of \$25.5 million from the operating expenses line item.

CHANGE NAME OF LINE ITEM

**Vehicle Replacement Lease, Purchase or Lease/Purchase**  
**Vehicle Replacement Lease/Purchase**

This line funds the lease payments for vehicles in the State's fleet, and includes a Department management fee of \$35 per month for all vehicles.

**➔ Request BA-3 – Fleet Request**

**Request:** The Department requests \$18,014,816 reappropriated funds.

**Recommendation:** Staff recommendation is pending the Committee's decisions regarding vehicle replacements and new vehicle purchases for all departments. Staff will present this recommendation at figure-setting for statewide operating common policies.

<b>(4) Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	15,686,775
<b>TOTAL</b>	<b>\$15,686,775</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$15,686,775
BA-3: Fleet Request	2,277,661
NPI-4 to NPI-8: Fleet Requests From Other Departments	50,380
<b>TOTAL</b>	<b>\$18,014,816</b>
<b>Increase/(Decrease)</b>	<b>\$2,328,041</b>
Percentage Change	14.8%
<b>FY 2013-14 Executive Request:</b>	<b>\$18,014,816</b>
Request Above/(Below) Recommendation	\$0

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$364,528 reappropriated funds, consistent with Committee policy.

**(D) FACILITIES MAINTENANCE – CAPITOL COMPLEX**

The Department of Personnel operates a facilities maintenance program for Denver, Grand Junction, and Camp George West, totaling 1.2 million square feet. Pursuant to Section 24-82-101, C.R.S., the Department is responsible for the maintenance of the buildings' plumbing, electrical, elevator, and HVAC systems, as well as custodial and grounds maintenance.

(1) *Denver:* The Department maintains ten addresses in the Capitol Hill Campus, one address in the North Campus, and two addresses in Lakewood. Each of these campuses, though funded by the Capitol Complex program, have distinct rental rates that mirror the locations and uses of the various properties.

(2) *Grand Junction:* The Department maintains a building with 34,499 square feet, which is staffed by 1.0 FTE who is responsible for building maintenance. Other functions, including

additional building maintenance, custodial services, and grounds maintenance are contracted to private vendors.

(3) *Camp George West*: This building contains 285,755 square feet for seven different departments. The Department's responsibilities include all site and grounds maintenance.

<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	9,737,781	290,276	9,447,505	55.2
SB 13-099 (Supplemental)	800,254	0	800,254	0.0
<b>TOTAL</b>	<b>\$10,538,035</b>	<b>\$290,276</b>	<b>\$10,247,759</b>	<b>55.2</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$10,538,035	\$290,276	\$10,247,759	55.2
R-5: Departmental Adjustments	9,480	0	9,480	0.0
BA-1: Capitol Complex Leased Space True-up	44,540	0	44,540	0.0
CP-1: Capitol Complex Building Upgrade	281,111	0	281,111	0.0
CP-3: Operating Common Policy Base Adjustments	693,287	0	693,287	0.0
Indirect Cost Assessment Adjustments	1,612,063	0	1,612,063	0.0
FY12-13 Supplemental Annualization	(800,254)	0	(800,254)	0.0
Staff Recommended Adjustments	0	0	0	0.0
<b>TOTAL</b>	<b>\$12,378,262</b>	<b>\$290,276</b>	<b>\$12,087,986</b>	<b>55.2</b>
<b>Increase/(Decrease)</b>	<b>\$1,840,227</b>	<b>\$0</b>	<b>\$1,840,227</b>	<b>0.0</b>
Percentage Change	17.5%	0.0%	18.0%	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$12,910,018</b>	<b>\$290,276</b>	<b>\$12,619,742</b>	<b>55.2</b>
Request Above/(Below) Recommendation	\$531,756	\$0	\$531,756	0.0

**Personal Services**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of 55.2 FTE and \$2,803,256 reappropriated funds.

**Operating Expenses**

This line item includes program operating expenses as well as custodial, maintenance, and repair expenses.

**➔ Request CP-1 – Capitol Complex Building Upgrade**

- The Department requests \$803,111 in reappropriated funds for allocation through the *Capitol Complex Leased Space* common policy line item, that includes the reinstatement of \$303,111 in operating reductions taken during the economic downturn and a base adjustment increase of \$500,000 to address safety and infrastructure needs for Capitol Complex buildings.
- Staff recommends that the Committee approve the reinstatement of \$281,111 in operating reductions related to custodial, maintenance, and repair.
- Staff recommends that the Committee not approve the Department's request for an additional \$500,000 in building upgrade and repairs.

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

*JBC Staff Figure Setting – FY 2013-14*  
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1. The reinstatement of \$303,111 in operating reductions taken during the economic downturn; and
2. A base adjustment increase of \$500,000 to address safety and infrastructure needs for Capitol Complex buildings.

*Recommendation:* Staff recommends that the Committee approve the reinstatement of \$281,111 in operating reductions related to custodial, maintenance, and repair. Staff does not recommend approval of the Department's request for an additional \$500,000 in building upgrade and repairs primarily due to its stated method in defining authority for prioritizing controlled maintenance projects for the Capitol Complex as resting with the Executive Director and likely delegated to the Division Director or Program Manager, rather than following the statutory requirement set for the capital development process regarding the prioritization of controlled maintenance projects by the State Architect.

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

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

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

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

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

Based on the reductions list provided by the Department, and confirmed in the Department's budget request schedule 14 for estimated expenditures for FY 2013-14, staff recommends approving reinstatement of all but \$22,000 related to travel, memberships, and education and training, that do not strictly relate to building maintenance, upgrade, or repair.

The Department has identified a number of areas that need maintenance, repair, or replacement including elevators and elevator shafts, HVAC components including boilers, blowers, and A/C units, flooring including carpet and tile, and parking lots. The Department states that it is a common private sector practice to include a charge in lease payments for maintenance and repairs. The Department provided the following list of prioritized projects and estimated costs:

<b>Building</b>	<b>Project Title</b>	<b>Estimated Cost</b>
<b>Priority 1 Projects</b>		
Capitol	Replace ADA Lift – House Chambers	\$ 120,000
690 Kipling	UPS Transfer Switch (1 Phase)	202,538
Grand Junction	Replace Hazardous Parking Lots / Sidewalks	337,370
Grand Junction	Emergency / Life Safety Upgrades	308,700
690/700 Kipling	Modernize Elevators	257,250
Annex	Replace Exterior Doors (Phases)	514,500
SOB	Re-carpet	228,898
SSB	Stair Treads	<u>46,305</u>
<b>Priority 1 Projects Subtotal</b>		<b>\$2,015,561</b>
<b>Priority 2 Projects</b>		
Capitol	Carpet and Draperies Replacement	135,503
DOR (Pierce)	Re-carpet Building (Phases)	514,500
North Campus	Rooftop AHU's (Phases)	720,300
Grand Junction		
1881 Pierce	Hirsh Upgrade	51,450
SOB	Replace Window Coverings	77,175
North Campus	Improvements, Replace Windows and Site Drainage Improvements (Phases)	<u>514,500</u>
<b>Priority 2 Projects Subtotal</b>		<b>\$2,013,428</b>
<b>Priority 3 Projects</b>		
Capitol	HVAC/ Electrical Assessment	300,000
DOR (Pierce)	Upgrade/Replace Landscape Sprinkler System	341,114
LSB	Emergency Generator	453,750
All Bldgs	Hirsch Upgrades-Proximity Card Readers	50,000
690 Kipling	Hydraulic Lift Repair/Replace	154,350
SSB	Re-carpet Common Areas	176,576
690/700 Kipling		
North Campus	Renovate / Refinish / Replace Doors	489,320
Lincoln Park	Repairs to Walls / Walks / Electrical	257,250
Grand Junction	Keys	51,500
690/700 Kipling	Replace Fence and wall around property	<u>400,000</u>
<b>Priority 3 Projects Subtotal</b>		<b>\$2,673,860</b>
Projects Total		<b>\$6,702,849</b>

In considering the *controlled maintenance* aspect of the request for an additional \$500,000, staff primarily used the November 2012 performance audit completed by Deloitte for the Office of the State Auditor (OSA), *Performance Evaluation of State Capital Asset Management and Lease Administration Practices*, as a guide for evaluation of the Department's request.

The audit identified problems with both the State's lack of funding as well as its processes for securing funding for controlled maintenance projects. The Office of the State Architect recommends appropriating a minimum of one percent of the current replacement value for controlled maintenance annually and the audit concurred. In line with the Department's request for a controlled maintenance element in its management of capitol complex facilities, the audit recommended that capitol complex and other state buildings include a charge for controlled maintenance in its maintenance fees, in line with private sector commercial real estate practices.

On the basis of the audit recommendation, staff agrees in principle, that the capitol complex should include a charge related to a controlled maintenance element.

The Department provided a list of values for the capitol complex buildings and facilities that total \$537.4 million. A one percent controlled maintenance charge would total \$5.4 million, representing a 45.0 percent increase over the FY 2012-13 common policy total cost calculation of \$12.0 million. The Department's request for \$500,000 represents 0.09 percent of the property value. The argument can be made that the Department's request is minimal, and in that respect reasonable, relative to the rate (and corresponding cost) recommended in the audit. The argument can also be made that the Department's request is much too small, and therefore not reasonable for meeting the needs of controlled maintenance as identified in the audit recommendation. Given that the capitol complex program is not entirely responsible for all controlled maintenance needs as those are primarily provided through the capital development process, the Department's request appears to be reasonable.

As staff understands, the private sector commercial real estate practice of including allowable controlled maintenance charges are based entirely on the property actually occupied by a tenant and not the entire universe of properties held by the commercial property owner. In addition to operating charges for the repair and upkeep of common spaces and building systems, charges related to repairs for a tenant's space may be billed to the tenant. Staff would prefer to see the capitol complex maintenance fees and charges allocated to state agencies be based on, at a minimum, a building by building basis; and that should be the basis as well for including a controlled maintenance charge.

Similarly, staff would prefer to see capitol complex lease rates calculated and managed more along the lines of a private sector commercial lease in which the property owner and tenant transact for space based on a contract with reasonable and agreed-upon rights and responsibilities on both sides, for the particular space occupied by the tenant, for a contracted period of time. Currently tenants are lumped together in a campus square footage rate and adjustments are made annually as capitol complex and the Department chooses to operate its maintenance function. In this case, the tenant is captive to the services and costs as provided and determined by the property maintenance organization.

Additionally, when staff asked the Department how capitol complex would determine which projects to prioritize, the Department responded that the Executive Director would have authority for prioritization, but would likely delegate that authority to the Capitol Complex Program manager or the Central Services Division manager. Based on that response, staff's

recommendation is that the Committee not approve the Department's request. Again, based on the audit, staff is comfortable with a controlled maintenance charge and element for capitol complex, if the State Architect can define the priority list as is statutorily required in the capital development process.

Additionally, staff would be more comfortable with a controlled maintenance charge within the capitol complex rate if capitol complex rate-building was at least building-based rather than campus-based. And on that basis, should the Committee choose to hold off at this time on approving the Department's request, staff will work with the Department over the interim to identify elements of the rate that can be defined more specifically, including a controlled maintenance element and charge.

**→ Staff Recommended Adjustment – Split Capitol Complex Operating Expense Line**  
 Staff also recommends that Facilities Maintenance – Capitol Complex line items be adjusted to include a custodial and a controlled maintenance line for maintenance and repairs, separate from the operating expenses line item in anticipation of moving toward a controlled maintenance element for this program and in the interest of enhancing transparency in the budget.

**→ Request R-5 – Departmental Adjustments**  
**Request:** The Department requests \$2,696,625 reappropriated funds. The request includes a transfer of \$9,480 reappropriated funds, representing the State ID Card Program, from Central Services Administration, included as an element of the Department's R-5 request. The request also includes an increase of \$803,111 reappropriated funds for the Department's CP-1 request.  
**Recommendation: Staff recommends an appropriation of \$182,185 reappropriated funds.** Staff does not recommend that the CP-1 request be funded in this line. Staff recommends that this line item be split into program operating expenses, custodial, and controlled maintenance lines to more accurately reflect those aspects previously included in this line item; the recommendation includes a decrease of \$1.7 million representing the transfer to new line items.

<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex, Operating Expenses</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	1,884,034
<b>TOTAL</b>	<b>\$1,884,034</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$1,884,034
R-5: Departmental Adjustments	9,480
CP-1: Capitol Complex Building Upgrade	0
Staff Recommended Adjustments	(1,711,329)
<b>TOTAL</b>	<b>\$182,185</b>
<b>Increase/(Decrease)</b>	<b>(\$1,701,849)</b>
Percentage Change	(90.3%)
<b>FY 2013-14 Executive Request:</b>	<b>\$2,696,625</b>
Request Above/(Below) Recommendation	\$2,514,440

*Staff Recommended Adjustments:* The recommendation includes the transfer of \$1.7 million from the operating expenses line item, including \$828,000 to the new *Capitol Complex Custodial* line item, and \$884,000 to the new *Capitol Complex Controlled Maintenance* line item.

**➔ Staff Recommended Adjustment – Split Capitol Complex Operating Expense Line**  
 NEW LINE ITEM

**CAPITOL COMPLEX CUSTODIAL**

This line item includes the custodial services-related expenses formerly included in the operating expenses line.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$1,029,115.

<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex, Capitol Complex Custodial</b>	
<b>Reappropriated Funds</b>	
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
CP-1: Capitol Complex Building Upgrade	201,418
Staff Recommended Adjustments	827,697
<b>TOTAL</b>	<b>\$1,029,115</b>
<b>Increase/(Decrease)</b>	<b>\$1,029,115</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	<b>\$0</b> (\$1,029,115)

*CP-1 Capitol Complex Building Upgrade:* The recommendation includes an increase of \$201,000, representing the custodial services-related estimated expenses of the Department's CP-1 request.

*Staff Recommended Adjustments:* The recommendation includes the transfer of \$828,000 from the operating expenses line item for custodial service-related expenses.

**➔ Staff Recommended Adjustment – Split Capitol Complex Operating Expense Line**  
 NEW LINE ITEM

**CAPITOL COMPLEX CONTROLLED MAINTENANCE**

This line item includes the repairs, maintenance, and controlled maintenance-related expenses formerly included in the operating expenses line and included in the Department's CP-1 request.

**Request:** The Department did not request this item.

**Recommendation:** Staff recommends an appropriation of \$1,019,845, including \$940,000 from the current operating expenses and capitol complex repairs base appropriations and \$80,000 in additional appropriations related to the Department's CP-1 request.



<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex, Capitol Complex Controlled Maintenance</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	0
<b>TOTAL</b>	<b>\$0</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$0
CP-1: Capitol Complex Building Upgrade	79,693
Staff Recommended Adjustments	940,152
<b>TOTAL</b>	<b>\$1,019,845</b>
<b>Increase/(Decrease)</b>	<b>\$1,019,845</b>
Percentage Change	100.0%
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	(\$1,019,845)

*CP-1 Capitol Complex Building Upgrade:* The recommendation includes an increase of \$80,000, representing the repairs, maintenance, and controlled maintenance-related estimated expenses of the Department's CP-1 request.

*Staff Recommended Adjustments:* The recommendation includes the transfer of \$884,000 from the operating expenses line item for repairs, maintenance, and controlled maintenance-related expenses and the transfer of \$57,000 from the Capitol Complex Repairs line.

**➔ Staff Recommended Adjustment – Split Capitol Complex Operating Expense Line  
Capitol Complex Repairs**

This line item was added in FY 1999-2000 to fund routine HVAC repairs in the capitol complex.

**Request:** The Department requests a continuation appropriation of \$56,520 reappropriated funds.

**Recommendation:** Staff recommends eliminating this line item.

<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex, Capitol Complex Repairs</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	56,520
<b>TOTAL</b>	<b>\$56,520</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$56,520
Staff Recommended Adjustments	(56,520)
<b>TOTAL</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	<b>(\$56,520)</b>
Percentage Change	(100.0%)
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	\$56,520

*Staff Recommended Adjustments:* The recommendation includes the elimination of this line item and the transfer of \$57,000 to the new *Capitol Complex Controlled Maintenance* line item for repairs, maintenance, and controlled maintenance-related expenses.

**Capitol Complex Security**

This line funds a portion of the contract security for the Denver campus. The cost is incorporated into the rates that are billed to the tenants in these buildings. The funds are then transferred to the Department of Public Safety, which administers the security contracts. This line is set by the Department of Public Safety.

**Request:** The Department's request reflects a continuation appropriation of \$375,064 reappropriated funds.

**Recommendation:** **Staff's recommendation is pending figure setting for the Department of Public Safety.** Staff requests permission to adjust the line once the pending line item is set.

**Utilities**

This line funds the utilities for the Facilities Maintenance – Capitol Complex campuses, including Denver, Grand Junction, and Camp George West.

**➔ Request CP-3 – Operating Common Policy Base Adjustments**

The methodology for determining this line is based on the average billing rate for FY 2011-12 actual expenditures. The average billing rates for FY 2013-14 for electric, gas, steam, and water and sewer are estimated at increases of 6.0 percent, 5.0 percent, 5.0 percent, and 3.0 percent respectively. The average estimated billing rate is multiplied by the actual total usage in FY 2011-12. The base adjustment increase is the difference between the estimated total need for FY 2013-14 and the appropriation for FY 2012-13 as outlined in the following table.

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<b>FY 2013-14 Capitol Complex Utilities</b>				
	<b>Electric</b>	<b>Gas</b>	<b>Steam</b>	<b>Water</b>
<b>Denver</b>				
FY11-12 Total Usage	23,735,498	120,026	13,329	33,839
FY11-12 Total Billing	\$1,981,914	\$83,598	\$258,668	\$186,419
FY11-12 Average Billing Rate	0.0835	0.6965	19.4064	5.5090
Estimated Rate Increase	6.0%	5.0%	5.0%	3.0%
Projected Rate	0.0885	0.7313	20.3767	5.6743
FY 2013-14 Estimate by Utility	<u>\$2,100,592</u>	<u>\$87,775</u>	<u>\$271,601</u>	<u>\$192,013</u>
<b>FY 2013-14 Denver Total Utility</b>				<b>\$2,651,981</b>
<b>Grand Junction</b>				
FY11-12 Total Usage	732,320	17,541	-	777
FY11-12 Total Billing	\$65,909	\$12,163	\$0	\$1,654
FY11-12 Average Billing Rate	0.0900	0.6934	-	2.1292
Estimated Rate Increase	6.0%	5.0%	5.0%	3.0%
Projected Rate	0.0954	0.7281	-	2.1931
FY 2013-14 Estimate by Utility	<u>\$69,863</u>	<u>\$12,772</u>	<u>\$0</u>	<u>\$3,637</u>
<b>FY 2013-14 Grand Junction Total Utility</b>				<b>\$86,272</b>
<b>Camp George West</b>				
FY11-12 Total Usage	2,021,703	140,317	-	153,759
FY11-12 Total Billing	\$208,033	\$100,411	\$0	\$96,099
FY11-12 Average Billing Rate	0.1029	0.7156	-	0.6250
Estimated Rate Increase	6.0%	5.0%	5.0%	3.0%
Projected Rate	0.1091	0.7514	-	0.6438
FY 2013-14 Estimate by Utility	<u>\$220,568</u>	<u>\$105,434</u>	<u>\$0</u>	<u>\$98,990</u>
<b>FY 2013-14 Camp George West Total Utility</b>				<b>\$424,992</b>
<b>FY 2013-14 Subtotal Campus Utilities</b>				<b>\$3,163,245</b>
Denver Energy Performance Contracts Interest Payments				826,487
Denver Energy Performance Contracts Principal Payments				866,580
FY 2013-14 Total Capitol Complex Utilities				4,856,312
2012 Long Bill Capitol Complex Utilities Appropriation				<u>4,163,025</u>
<b>FY 2013-14 Utilities Base Adjustment</b>				<b>\$693,287</b>

Denver energy performance contracts interest payments are included in the utilities line. Additionally, the Department's FY 2012-13 supplemental request and FY 2013-14 budget request include recognizing the Denver Energy Performance Contracts principal payments in the line for the purposes of spending authority. The Department had not previously included these payments within the line. Principal payments are not built into state agency allocations, however depreciation associated with the contracts has and will continue to be built into the allocations.

The Department's request includes a base adjustment of \$703,043. Staff recommends a base adjustment of \$693,287 as outlined in the table.

**➔ Request BA-1 – Capitol Complex Leased Space True-up**

The Department's FY 2012-13 supplemental request included a related budget amendment request for the purpose of recognizing full revenue and expense for efficiency equipment rebates that were previously recognized as discounts on expense. The request does not represent an

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actual increase in spending or expenditures. The Department requests \$44,540 reappropriated funds spending authority for the purpose of more fully accounting for rebates. **Staff recommends that the Committee approve the Department's BA-1 request.**

**Request:** The Department requests \$4,910,608 total funds, which includes a common policy base adjustment increase of \$703,043 and an increase of \$44,540 related to the Department's BA-1 request.

**Recommendation:** Staff recommends an appropriation of \$4,900,852 total funds, including \$290,276 cash funds and \$4,610,576 reappropriated funds. The recommendation includes a base adjustment increase of \$693,287 and an increase of \$44,540 for the BA-1 request.

<b>(4) Central Services, (D) Facilities Maintenance - Capitol Complex, Utilities</b>			
	Total Funds	Cash Funds	Reappropriated Funds
<b>FY 2012-13 Appropriation:</b>			
HB 12-1335 (Long Bill)	4,163,025	290,276	3,872,749
SB 13-099 (Supplemental)	800,254	0	800,254
<b>TOTAL</b>	<b>\$4,963,279</b>	<b>\$290,276</b>	<b>\$4,673,003</b>
<b>FY 2013-14 Recommended Appropriation:</b>			
FY 2012-13 Appropriation	\$4,963,279	\$290,276	\$4,673,003
BA-1: Capitol Complex Leased Space True-up	44,540	0	44,540
CP-3: Operating Common Policy Base Adjustments	693,287	0	693,287
FY12-13 Supplemental Annualization	(800,254)	0	(800,254)
<b>TOTAL</b>	<b>\$4,900,852</b>	<b>\$290,276</b>	<b>\$4,610,576</b>
<b>Increase/(Decrease)</b>	(\$62,427)	\$0	(\$62,427)
<b>Percentage Change</b>	(1.3%)	0.0%	(1.3%)
<b>FY 2013-14 Executive Request:</b>			
Request Above/(Below) Recommendation	\$9,756	\$0	\$9,756

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$2,067,945 reappropriated funds, consistent with Committee policy.

## (5) Division of Accounts and Control – Controller

This division includes the Office of the State Controller, which manages the financial affairs of all state departments. The Division also administers a statewide procurement program through the State Purchasing Office; meets the product and service needs of state agencies by negotiating contracts for goods and services; conducts statewide financial reporting, policy and procedural guidance; manages contracts; develops the statewide indirect cost allocation plan; and is responsible for the collection of debts due to the state.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

<b>(5) Division of Accounts and Control - Controller</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	9,480,903	2,192,701	7,270,004	18,198	71.3
SB 12-150	(42,961)	(42,961)	0	0	(0.5)
SB 13-099 (Supplemental)	566,203		566,203	0	2.0
<b>TOTAL</b>	<b>\$10,004,145</b>	<b>\$2,149,740</b>	<b>\$7,836,207</b>	<b>\$18,198</b>	<b>72.8</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$10,004,145	\$2,149,740	\$7,836,207	\$18,198	72.8
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-3: Resources for COFRS II eProcurement	1,541,184		1,541,184	0	3.0
R-5: Departmental Adjustments	100,857		100,857	0	(3.0)
Indirect Cost Assessment Adjustments	(38,285)		(38,285)	0	0.0
FY12-13 Supplemental Annualization	(566,203)		(566,203)	0	(2.0)
Staff Recommended Adjustments	(1,904,136)		(1,904,136)	0	0.0
Prior Year Annualizations	(300,000)		(300,000)	0	0.0
Other Technical and Base Adjustments	0	(1,484,891)	777,696	707,195	0.0
<b>TOTAL</b>	<b>\$8,837,562</b>	<b>\$664,849</b>	<b>\$7,447,320</b>	<b>\$725,393</b>	<b>70.8</b>
<b>Increase/(Decrease)</b>	(\$1,166,583)	(\$1,484,891)	(\$388,887)	\$707,195	(2.0)
Percentage Change	(11.7%)	(69.1%)	(5.0%)	3,886.1%	(2.7%)
<b>FY 2013-14 Executive Request:</b>	<b>\$10,926,689</b>	<b>\$840,445</b>	<b>\$9,360,851</b>	<b>\$725,393</b>	<b>72.6</b>
Request Above/(Below) Recommendation	\$2,089,127	\$175,596	\$1,913,531	\$0	1.8

### (A) OFFICE OF THE STATE CONTROLLER

Pursuant to Sections 24-30-201 through 24-30-207, C.R.S., the Office of the State Controller is statutorily charged with managing the financial operations of the State of Colorado. This includes statewide financial reporting, providing policy and procedural guidance, developing the Statewide Indirect Cost Allocation Plan (SWICAP), operating the state's payroll system, issuing warrants, and providing specialized accounting services to other state agencies.

#### **FY 2013-14 Fund Sources**

This Division is funded with rebates received from the Procurement Card Program, statewide indirect cost recoveries, cash funds from the Supplier Database Cash Fund, collection fees that are assessed to individuals making payments in the collections process, indirect cost recoveries transferred from the institutions of higher education, and General Fund.

*JBC Staff Figure Setting – FY 2013-14*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>(5) Division of Accounts and Control – Controller, (A) Office of the State Controller</b>					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	4,291,818	2,192,701	2,080,919	18,198	34.8
SB 12-150	(42,961)	(42,961)	0	0	(0.5)
<b>TOTAL</b>	<b>\$4,248,857</b>	<b>\$2,149,740</b>	<b>\$2,080,919</b>	<b>\$18,198</b>	<b>34.3</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$4,248,857	\$2,149,740	\$2,080,919	\$18,198	34.3
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-5: Departmental Adjustments	0	0	0	0	(2.0)
Staff Recommended Adjustments	(1,599,000)	0	(1,599,000)	0	0.0
Other Technical and Base Adjustments	0	(1,484,891)	777,696	707,195	0.0
<b>TOTAL</b>	<b>\$2,649,857</b>	<b>\$664,849</b>	<b>\$1,259,615</b>	<b>\$725,393</b>	<b>32.3</b>
<b>Increase/(Decrease)</b>	(\$1,599,000)	(\$1,484,891)	(\$821,304)	\$707,195	(2.0)
Percentage Change	(37.6%)	(69.1%)	(39.5%)	3,886.1%	(5.8%)
<b>FY 2013-14 Executive Request:</b>	<b>\$4,424,453</b>	<b>\$840,445</b>	<b>\$2,858,615</b>	<b>\$725,393</b>	<b>34.1</b>
Request Above/(Below) Recommendation	\$1,774,596	\$175,596	\$1,599,000	\$0	1.8

**➔ Request R-1 – Central Contracts Unit Resources**

- The Department requests additional General Funded resources for the Central Contracts Unit (CCU) to provide more timely, high-risk contract reviews and improve contracting practices of state agencies through training, contract monitoring, and further development of model contracts.
- Staff recommends that the Committee deny the Department's request for additional resources for the CCU. Consistent with staff's recommendation at briefing, staff recommends that requests for additional FTE and resources for the CCU be addressed within an independent bill, rather than in the Long Bill, due to the lack of statutory guidance, structure, and definition related to the contracts oversight authority generally and broadly granted to the State Controller.

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

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

*Recommendation:* Staff recommends that the Committee not approve the Department's request for additional resources for the Central Contracts Unit. Consistent with staff's recommendation at briefing, staff recommends that this request, including additional FTE and resources for the CCU be addressed within an independent bill, rather than in the Long Bill, due to the lack of

statutory guidance, structure, and definition related to the contracts oversight authority generally and broadly granted to the State Controller.

*Analysis:*

**The Central Contracts Unit**

The Central Contracts Unit (CCU) and the state's contracting processes are not defined in statute. The CCU and the state's contracting practices are statutorily authorized through the authority generally and broadly granted to the State Controller for setting state fiscal rules and policies.

The CCU in the Office of the State Controller (OSC) administers the statewide contracting policies and procedures as defined by the State Controller including drafting model contracts for state agency use; advising, training, and monitoring state agency program staff responsible for contracting; and reviewing and approving high-risk contracts for state agencies.

While statute requires that all contracts be approved by the State Controller, through the state fiscal rules, the Controller has delegated authority to state agencies to approve most contracts directly with the exception of *high-risk* contracts, which require a review by the CCU and affirmative. High-risk contracts have been defined in state fiscal rules to include:

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

Of its current General Funded appropriation, the OSC allocates for the CCU, two contracts specialists, a General Professional IV and V, and a program manager, a General Professional VI.

**Department Concerns**

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

### **Additional Background Related to Request History**

The Department submitted a 1331 or *Interim Supplemental* request in September 2012. The Committee denied the request based on the request's failure to meet the interim supplemental requirement demonstrating new data based on an unforeseen increase in workload or emergency. Staff's analysis suggested that the Department may have a genuine resource issue in the CCU based on how the State Controller has chosen to administer the oversight of contracts for the State. The State's decentralized contracting process as defined by the State Controller in fiscal rule suggested that the CCU might require additional resources, but the Department's inability to provide workload data prevented staff from reaching a conclusion that the request met interim supplemental requirements.

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

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

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

### **Workload and Timeliness Data**

Staff's primary concern with the Department's 1331 request for additional resources was the lack of workload and timeliness data that might have satisfied the interim supplemental requirements. The one piece of workload data available is a figure of 800 high-risk contract reviews completed in FY 2011-12. This figure represents an average of 22 high-risk contract reviews per month per CCU staff member when fully staffed. It appears that the CCU was not fully staffed during FY 2011-12, suggesting a much higher average in practice for that year. At a level of two CCU staff members, the average rises to 33 reviews per month.

### **Funding Method**

The CCU, along with the OSC, is currently funded by General Fund, and the Department has requested additional General Fund in this request. While the CCU provides general contracts-related policies and procedures for the state, it appears that the role of the CCU and its need for additional resources in this request is directly tied to its primary purpose in reviewing high-risk contracts within the contracts oversight system created pursuant to the State Controller's broad



authority to define the system. While there is a general liability to the state related to contracts, there is a specific risk to state agencies in writing high-risk contracts that is reduced, if not alleviated, through a CCU high-risk review.

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

The Department states that the total dollar amount of the 800 high-risk contract reviews completed in FY 2011-12 was approximately \$1.3 billion, while the total dollar amount for all 20,000-plus contracts recorded in the Contract Management System in FY 2011-12 was approximately \$18 billion. Although the CCU program's budget is currently included in funding for the Office of the State Controller, staff estimates a total personal services and operating expenses budget of approximately \$0.5 million including the current request, not including the need for legal services purchased from the Department of Law. A program budget of \$0.5 million represents 0.04 percent of the dollar amount of high-risk contract reviews completed in FY 2011-12. A fee of 0.04 percent on a \$1,000,000 contract would cost a contract and provide revenue for the CCU of \$400 for a high-risk review.

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

*The Department would not recommend cash funding the CCU given that there is no funding source provided for this activity. The fee would need to be paid for out of existing Operating line item appropriations and could be a hardship for certain agencies with a high volume of contracts. In addition, the fee would need to be directly related to the number and amount of time spent assessing contracts related to specific General Fund, cash fund, or federal fund activities/functions. This workload could also vary greatly from year to year making fee setting difficult to manage and frustrating to the state agencies that require the service.*

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

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

There appears to be a fairly defined CCU (currently 3.0 FTE) within the OSC (currently 34.3 FTE). There does not appear to be a staffing pattern or practices in which the CCU staff also handle other OSC responsibilities. While there may be a loss of flexibility in allocating resources between the CCU and other OSC functions as the Department suggests in its response, the Department is requesting additional resources for *this particular program*. Were the Committee to approve the Department's request with General Fund, it would come with the expectation that the resources were, in fact, being used as requested. **Splitting out the CCU into distinct program lines in the budget simply assures that the resources are going to their intended purpose. Placing the CCU in a cash-funded system removes the resource allocation decision for the program from the State Controller and provides the program with a dedicated funding source that allows the program to more systematically respond to additional resource needs as defined by the workload of state agency contracts.**

### **Conclusion**

Staff concluded in the briefing analysis that the CCU might at least be partially funded, if not fully funded, through cash funds, if a fee process associated with high-risk contracts were implemented. Staff recommended that the Committee pursue legislation for the purpose of cash funding the Central Contracts Unit in the Office of the State Controller, through fees assessed on high-risk contracts reviewed. Staff recommended that request *R-1 Central Contracts Unit Resources*, including additional FTE and resources for the CCU be addressed within such a bill, rather than in the Long Bill. Staff recommended that the CCU be recognized in the budget through independent program lines, either within the Office of the State Controller, or as an independent program office within the Division of Accounts and Control – Controller.

Draft legislation was prepared for the Committee, but the Committee chose not to pursue the staff-recommended legislation due to Department concerns that appear to be based on a general preference not to change the current funding arrangement, and to retain the current General Funded appropriations process for the CCU and the OSC.

The Department's choice to forego a JBC-supported bill that would have provided the additional resources in exchange for additional, minimal statutory structure and definition through the creation of a dedicated cash funding source for the program causes staff to question the Department's genuine need for the additional resources.

Staff recommends that the Committee not approve the Department's request for additional resources for the Central Contracts Unit. Consistent with staff's recommendation at briefing, staff recommends that this request, including additional FTE and resources for the CCU be addressed within an independent bill, rather than in the Long Bill, due to the lack of statutory guidance, structure, and definition related to the contracts oversight authority generally and broadly granted to the State Controller.

**Personal Services**

**➔ Request R-1 – Central Contracts Unit Resources**

- The Department requests an additional 1.8 FTE and \$164,290 General Fund for the Central Contracts Unit (CCU) to provide more timely, high-risk contract reviews and improve contracting practices of state agencies through training, contract monitoring, and further development of model contracts.
- Staff recommends that the Committee not approve the Department's request for additional resources for the CCU. Consistent with staff's recommendation at briefing, staff recommends that requests for additional FTE and resources for the CCU be addressed within an independent bill, rather than in the Long Bill, due to the lack of statutory guidance, structure, and definition related to the contracts oversight authority generally and broadly granted to the State Controller.

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 34.1 FTE and \$2,682,872 total funds, which includes an increase of 1.8 FTE and \$164,290 for the Department's R-1 request and a decrease of 2.0 FTE representing a transfer to Employee Benefits Services in the Division of Human Resources as an element of the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 32.3 FTE and \$2,518,582 total funds, including \$640,572 General Fund, \$1,152,617 cash funds, and \$725,393 reappropriated funds.

<b>(5) Division of Accounts and Control - Controller, (A) Office of the State Controller, Personal Services</b>					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>					
HB 12-1335 (Long Bill)	2,561,543	2,186,622	374,921	0	34.8
SB 12-150	(42,961)	(42,961)	0	0	(0.5)
<b>TOTAL</b>	<b>\$2,518,582</b>	<b>\$2,143,661</b>	<b>\$374,921</b>	<b>\$0</b>	<b>34.3</b>
<b>FY 2013-14 Recommended Appropriation:</b>					
FY 2012-13 Appropriation	\$2,518,582	\$2,143,661	\$374,921	\$0	34.3
R-1: Central Contracts Unit Resources	0	0	0	0	0.0
R-5: Departmental Adjustments	0	0	0	0	(2.0)
Other Technical and Base Adjustments	0	(1,503,089)	777,696	725,393	0.0
<b>TOTAL</b>	<b>\$2,518,582</b>	<b>\$640,572</b>	<b>\$1,152,617</b>	<b>\$725,393</b>	<b>32.3</b>
<b>Increase/(Decrease)</b>	\$0	(\$1,503,089)	\$777,696	\$725,393	(2.0)
<b>Percentage Change</b>	0.0%	(70.1%)	207.4%	0.0%	(5.8%)
<b>FY 2013-14 Executive Request:</b>					
Request Above/(Below) Recommendation	\$164,290	\$164,290	\$0	\$0	1.8

*Other Technical and Base Adjustments:* The recommendation includes a \$1.5 million General Fund offset, comprised of \$778,000 cash funds related to *P-Card* transfers from institutions of higher education and \$726,000 reappropriated funds related to the use of statewide indirect cost recoveries.

**Operating Expenses**

**➔ Request R-1 – Central Contracts Unit Resources**

- The Department requests an additional \$11,306 General Fund associated with the 2.0 FTE request for the Central Contracts Unit (CCU).
- Staff recommends that the Committee not approve the Department's request for additional resources for the CCU. Consistent with staff's recommendation at briefing, staff recommends that requests for additional FTE and resources for the CCU be addressed within an independent bill, rather than in the Long Bill, due to the lack of statutory guidance, structure, and definition related to the contracts oversight authority generally and broadly granted to the State Controller.

**Request:** The Department requests \$141,581 total funds, which includes an increase of \$11,306 General Fund for operating expenses associated with the 2.0 FTE for the CCU in the Department's R-1 request.

**Recommendation:** Staff recommends an appropriation of \$130,275 total funds, including \$24,277 General Fund and \$105,998 cash funds.

<b>(5) Division of Accounts and Control - Controller, (A) Office of the State Controller, Operating Expenses</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	130,275	6,079	105,998	18,198
<b>TOTAL</b>	<b>\$130,275</b>	<b>\$6,079</b>	<b>\$105,998</b>	<b>\$18,198</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$130,275	\$6,079	\$105,998	\$18,198
R-1: Central Contracts Unit Resources	0	0	0	0
Other Technical and Base Adjustments	0	18,198	0	(18,198)
<b>TOTAL</b>	<b>\$130,275</b>	<b>\$24,277</b>	<b>\$105,998</b>	<b>\$0</b>
<b>Increase/(Decrease)</b>	\$0	\$18,198	\$0	(\$18,198)
Percentage Change	0.0%	299.4%	0.0%	(100.0%)
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$11,306	\$11,306	\$0	\$0

*Other Technical and Base Adjustments:* The recommendation includes a funding adjustment related to the use of statewide indirect cost recoveries.

**Recovery Audit Program Disbursements**

This line was added as a supplemental appropriation for FY2011-12, and provides pending authority from the Recovery Audit Cash Fund, created in Section 24-30-203.5 (8), C.R.S., that allows the Department to enter into a contingency-based contract with a recovery audit vendor, reimburse state agencies for recovery audit costs, and reimburse the federal government as required. The recovery audit process is intended to repeat every three years.

**➔ Staff Recommended Adjustment**

Staff asked the Department for additional information related to the spending authority provided in this line, given the three-year cycle of the recovery audit process, and the Department provided the following reply.

*Finally, HB 12-1193 (DPA Supplemental Bill) appropriated \$1.6M in cash fund spending authority to cover disbursements related to the program. During the Recovery Audit that was begun on July 1, 2011, many of the findings were eliminated due to a settlement and related Attorney General's Opinion. This settlement prevented a large portion of improper payments from being included in the recovery audit for the three year period of FY 2007-08, FY 2008-09, and FY 2009-10 and in the future. Therefore, the amount recovered during the audit that commenced on July 1, 2011 was minimal. However, if these excluded payments had been included in the recovery audit, the Department would have been very close to the \$1.6M spending authority limit in the Recovery Audit Program Disbursements line item. Initially, the estimate of \$1.6M was set based on other state's experiences with recovery audit programs. Because of the experience in the most recent recovery audit, the Department is unable to definitively project a more accurate number for the spending authority. For now, reducing the spending authority by 50% seems to be feasible for the program. That said, if a future recovery audit identifies a large improper payment that needs to be recovered, the Department will need the ability to seek and receive additional spending authority through an emergency supplemental. The Recovery Audit that commenced on July 1, 2011 took 18 months to complete. Future audits may take more or less time, and therefore cross multiple fiscal years. As a result, it would be the Department's preference to keep the spending authority within the Long Bill every year to avoid any issues when the audits cross fiscal years. Additionally, the Department notes that the \$1.6M cash fund appropriation is tied to the Recovery Audit Cash Fund, and is therefore empty spending authority unless a required disbursement were to arise as a result of the audit.*

The Department's response states that spending authority of 50 percent (of the current \$1.6 million appropriation) is feasible. The Department also suggests that it may need to seek additional spending authority through an emergency supplemental if its appropriation is adjusted. However, the Department's use of 50 percent appears to be arbitrary. This spending authority is necessary to reimburse a contractor for recoveries related to an audit. An audit is intended to be completed every three years pursuant to statute. While an emergency supplemental may need to be requested, staff believes that the Department should be able to adequately plan for up to a year in advance in order to be in compliance with the statutory Recovery Audit schedule, and can request additional spending authority as a part of the budget process as an annualization at the time that reimbursements are expected to be made. Additionally, due to the minimal use of the prior spending authority, the questions and concerns raised over the course of the first recovery audit, staff prefers to actively monitor the spending authority in this line item by requiring the Department to accurately project its needs on an annual basis, rather than simply retaining a *safe* \$1.6 million continuation in spending authority regardless of the activity of the program.

Staff's preference is to zero out this line item during the years that no reimbursements are expected. However, for purposes of maintaining the appearance of an active, program-related line item in the budget, staff recommends reflecting a *placeholder* appropriation of \$1,000.

**Request:** The Department requests a continuation appropriation of \$1,600,000 cash funds.

**Recommendation:** Staff recommends an appropriation of \$1,000 cash funds.

<b>(5) Division of Accounts and Control - Controller, (A) Office of the State Controller, Recovery Audit Program Disbursements</b>	
<b>Cash Funds</b>	
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	1,600,000
<b>TOTAL</b>	<b>\$1,600,000</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$1,600,000
Staff Recommended Adjustments	(1,599,000)
<b>TOTAL</b>	<b>\$1,000</b>
<b>Increase/(Decrease)</b>	<b>(1,599,000)</b>
Percentage Change	(99.9%)
<b>FY 2013-14 Executive Request:</b>	<b>\$1,600,000</b>
Request Above/(Below) Recommendation	\$1,599,000

## **(B) STATE PURCHASING OFFICE**

The State Purchasing Office manages statewide centralized procurement including promulgating the State's procurement rules, managing the vendor BIDS system, providing procurement education, and administering statewide price agreements.

<b>(5) Division of Accounts and Control – Controller, (B) State Purchasing Office</b>		
	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	832,769	12.5
<b>TOTAL</b>	<b>\$832,769</b>	<b>12.5</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$832,769	12.5
R-5: Departmental Adjustments	100,857	(1.0)
<b>TOTAL</b>	<b>\$933,626</b>	<b>11.5</b>
<b>Increase/(Decrease)</b>	<b>\$100,857</b>	<b>(1.0)</b>
Percentage Change	12.1%	(8.0%)
<b>FY 2013-14 Executive Request:</b>	<b>\$943,021</b>	<b>11.5</b>
Request Above/(Below) Recommendation	\$9,395	0.0

## **Personal Services**

### **➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests 11.5 FTE and \$910,223 cash funds, which includes an increase of 2.0 FTE and \$91,355 representing a transfer from Central Services Administration for the Statewide Travel Management Program, an increase of \$3,704 representing a transfer from operating expenses from the Statewide Travel Management Program, an increase of \$9,395 from the indirect cost assessment line in the Central Services Administration, and a decrease of 3.0 FTE representing a transfer to the Training Services Program in the Division of Human Resources, all of which are elements in the Department's R-5 request.

**Recommendation:** Staff recommends an appropriation of 9.5 FTE and \$805,769 cash funds. Staff recommends the Committee approve the Department's R-5 request as a program transfer into a new, program line item due to the requested transfer of additional funds into personal services. Staff recommends the Committee not approve the transfer of \$9,395 from the Indirect Cost Assessment line, which is set by the Office of the State Controller in the State Indirect Cost Plan and approved by the Committee. Staff recommends the Committee approve the transfer of 3.0 FTE to the Training Services Program in the Division of Human Resources.

<b>(5) Division of Accounts and Control - Controller, (B) State Purchasing Office, Personal Services</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	805,769	12.5
<b>TOTAL</b>	<b>\$805,769</b>	<b>12.5</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$805,769	12.5
R-5: Departmental Adjustments	0	(3.0)
<b>TOTAL</b>	<b>\$805,769</b>	<b>9.5</b>
<b>Increase/(Decrease)</b>	\$0	(3.0)
Percentage Change	0.0%	(24.0%)
<b>FY 2013-14 Executive Request:</b>	<b>\$910,223</b>	<b>11.5</b>
Request Above/(Below) Recommendation	\$104,454	2.0

### **Operating Expenses**

#### **➔ Request R-5 – Departmental Adjustments**

**Request:** The Department requests \$32,798 cash funds, which includes an increase of \$9,502 representing a transfer of operating expenses from Central Services Administration for the Statewide Travel Management Program and a decrease of \$3,704 representing a transfer to personal services.

**Recommendation:** Staff recommends a continuation appropriation of \$27,000 cash funds. Staff recommends the Committee approve the Department's R-5 request as a program transfer into a new, program line item due to the requested transfer of additional funds into personal services.

<b>(5) Division of Accounts and Control - Controller, (B) State Purchasing Office, Operating Expenses</b>	
	Cash Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	27,000
<b>TOTAL</b>	<b>\$27,000</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$27,000
R-5: Departmental Adjustments	0
<b>TOTAL</b>	<b>\$27,000</b>
<b>Increase/(Decrease)</b>	\$0
Percentage Change	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$32,798</b>
Request Above/(Below) Recommendation	\$5,798

NEW LINE ITEM

**STATEWIDE TRAVEL MANAGEMENT PROGRAM**

This line item is a program line that includes personal services and operating expenses. Staff recommends this new line to enhance budget transparency related to tracking the Department's request to transfer this program from Central Services Administration to the State Purchasing Office.

**➔ Request R-5 – Departmental Adjustments**

**Request:** The Department did not request this line.

**Recommendation:** Staff recommends an appropriation of 2.0 FTE and \$100,857 cash funds, representing a transfer of the Statewide Travel Management Program from Central Services Administration.

<b>(5) Division of Accounts and Control - Controller, (B) State Purchasing Office, Statewide Travel Management Program</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$0	0.0
R-5: Departmental Adjustments	100,857	2.0
<b>TOTAL</b>	<b>\$100,857</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$100,857	2.0
<b>Percentage Change</b>	100.0%	100.0%
<b>FY 2013-14 Executive Request:</b>		
Request Above/(Below) Recommendation	(\$100,857)	(2.0)

NEW SUBDIVISION NAME

~~**(C) SUPPLIER DATABASE**~~

**(C) SUPPLIER DATABASE AND E-PROCUREMENT**

This subdivision includes the supplier database program and the e-procurement program. The supplier database portion supports the Bids Information and Distribution System (BIDS), which allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). The Department uses the database to notify the appropriate vendors when the State issues requests for proposals (RFPs) or invites bids for goods or services. Vendors pay annual registration fees to be included in the BIDS database, and these fees are deposited into the Supplier Database Cash Fund. Moneys are appropriated from the Fund to support the program's activities.



<b>(5) Division of Accounts and Control – Controller, (C) Supplier Database and e-Procurement</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	1,388,781	4.0
SB 13-099 (Supplemental)	566,203	2.0
<b>TOTAL</b>	<b>\$1,954,984</b>	<b>6.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$1,954,984	6.0
R-3: Resources for COFRS II eProcurement	1,541,184	3.0
FY12-13 Supplemental Annualization	(566,203)	(2.0)
<b>TOTAL</b>	<b>\$2,929,965</b>	<b>7.0</b>
<b>Increase/(Decrease)</b>	\$974,981	1.0
Percentage Change	49.9%	16.7%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,929,965</b>	<b>7.0</b>
Request Above/(Below) Recommendation	\$0	0.0

**➔ Request R-3 – Resources for COFRS II eProcurement**

- The Department requests a \$1.6 million increase in cash fund spending authority and 3.0 FTE for resources related to the *e-procurement system*, that entails ongoing implementation and integration with COFRS II.
- Staff recommends that the Committee approve \$1.5 million of the Department's request as outlined in the personal services and operating expenses line item recommendations.

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

*Recommendation:* Staff recommends that the Committee approve \$1.5 million of the Department's request for program personal services and operating expenses line items and not approve the request for compensation-related pots as previously discussed in the affected line items.

*Analysis:*

**Legislative and Program History**

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

purchase of IT goods, software, and services was identified as a Governor's Lean Initiative and as strongly linked to the eProcurement program purpose and goals.

The eProcurement Program resides in the Supplier Database subdivision in the Division of Accounts and Control – Controller in the Department budget. The Supplier Database subdivision includes the Supplier Database Program and the eProcurement Program. The Supplier Database Program supports business operational and database needs of the State Purchasing Office through the Bid Information and Distribution System (BIDS) and is funded by vendor fees in the Supplier Database Cash Fund, created in Section 24-102-202.5 (2) (a), C.R.S., for this purpose. BIDS is accessed by registered vendors in order to identify opportunities to sell goods and services to state agencies pursuant to Section 24-102-202.5 (2) (a), C.R.S. The integration of the eProcurement system with COFRS II will also entail integrating the Supplier Database Program and BIDS into the seamless, COFRS II eProcurement project. The Department requested and staff recommended that the Committee pursue legislation for the consolidation of the cash funds. That legislation is currently working its way through the legislative process.

#### **June 2012, 1331 Supplemental and Transition to the Current Request**

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

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

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

*JBC Staff Figure Setting – FY 2013-14*  
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The following table outlines the changes in the Supplier Database subdivision as a result of R-3:

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

The following table outlines the fund balance history for the program, along with the request's effect on the fund balance:

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

The program's fund balance allows the Department to complete implementation of the e-procurement system as requested and as intended by the legislation creating the program.

**Personal Services**

**➔ Request R-3 – Resources for COFRS II eProcurement**

- The Department requests 3.0 FTE and \$190,000 cash funds for three General Professional IVs to manage the *Solicitation and Contract Manager* process, the *End-User Purchasing* process, and the *Vendor Self Service* process for the implementation of an integrated e-procurement system with COFRS II.
- Staff recommends that the Committee approve the Department's request.

**Request:** The Department requests 7.0 FTE and \$428,426 cash funds, which includes an increase of 3.0 FTE and 190,155 cash funds related to the Department's R-3 request and a decrease of 2.0 FTE and \$566,203 cash funds for the annualization of the Department's FY 2012-13 supplemental regarding the e-procurement system.

**Recommendation:** Staff recommends an appropriation of 7.0 FTE and \$428,426 cash funds, which includes approval of the Department's R-3 request.

<b>(5) Division of Accounts and Control - Controller, (C) Supplier Database and e-Procurement, Personal Services</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	238,271	4.0
SB 13-099 (Supplemental)	566,203	2.0
<b>TOTAL</b>	<b>\$804,474</b>	<b>6.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$804,474	6.0
R-3: Resources for COFRS II eProcurement	190,155	3.0
FY12-13 Supplemental Annualization	(566,203)	(2.0)
<b>TOTAL</b>	<b>\$428,426</b>	<b>7.0</b>
<b>Increase/(Decrease)</b>	(\$376,048)	1.0
Percentage Change	(46.7%)	16.7%
<b>FY 2013-14 Executive Request:</b>	<b>\$428,426</b>	<b>7.0</b>
Request Above/(Below) Recommendation	\$0	0.0

**Operating Expenses**

**➔ Request R-3 – Resources for COFRS II eProcurement**

- The Department requests a \$1.35 million increase for operating expenses, of which \$1.33 million is to pay original licensing fees for the Vendor Self Service software and to implement the Vendor Self Service module.
- Staff recommends that the Committee approve the Department's request.

**Request:** The Department requests \$2,501,539 cash funds, which includes an increase of \$1,351,029 cash funds for the Department's R-3 request.

**Recommendation:** Staff recommends an appropriation of \$2,501,539 cash funds, which includes approval of the Department's R-3 request.

<b>(5) Division of Accounts and Control - Controller, (C) Supplier Database and e- Procurement, Operating Expenses</b>	
	Cash Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	1,150,510
<b>TOTAL</b>	<b>\$1,150,510</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$1,150,510
R-3: Resources for COFRS II eProcurement	1,351,029
<b>TOTAL</b>	<b>\$2,501,539</b>
<b>Increase/(Decrease)</b>	\$1,351,029
Percentage Change	117.4%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,501,539</b>
Request Above/(Below) Recommendation	\$0

**(D) COLLECTIONS SERVICES**

Pursuant to Section 24-30-202.4, C.R.S., Collections Services provides debt collection services for all of the state's agencies and political subdivisions by using tools such as income tax interception, vendor interception, and employment information that is not typically available to private collection agencies. Debt is referred to this office after 30 days, and the office then has up to 180 days to collect the debt or to refer it to a private agency. The cash funds source is the Debt Collection Fund, created in Section 24-30-202.4 (3) (e), C.R.S.

<b>(5) Division of Accounts and Control – Controller, (D) Collections Services</b>		
	Cash Funds	FTE
<b>FY 2012-13 Appropriation:</b>		
HB 12-1335 (Long Bill)	2,967,535	20.0
<b>TOTAL</b>	<b>\$2,967,535</b>	<b>20.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>		
FY 2012-13 Appropriation	\$2,967,535	20.0
Indirect Cost Assessment Adjustments	(38,285)	0.0
Staff Recommended Adjustments	(305,136)	0.0
Prior Year Annualizations	(300,000)	0.0
<b>TOTAL</b>	<b>\$2,324,114</b>	<b>20.0</b>
<b>Increase/(Decrease)</b>	(\$643,421)	0.0
Percentage Change	(21.7%)	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$2,629,250</b>	<b>20.0</b>
Request Above/(Below) Recommendation	\$305,136	0.0

**Personal Services**

**Request and Recommendation:** The Department requests and staff recommends a continuation appropriation of 20.0 FTE and \$924,596 cash funds.

**Operating Expenses**

**Request and Recommendation:** The Department requests and staff recommends an appropriation of \$349,085, which included a \$300,000 decrease for the annualization of the Department's FY 2012-13 CUBS Collections System request.

<b>(5) Division of Accounts and Control - Controller, (D) Collections Services, Operating Expenses</b>	
	Cash Funds
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	649,085
<b>TOTAL</b>	<b>\$649,085</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$649,085
Prior Year Annualization	(300,000)
<b>TOTAL</b>	<b>\$349,085</b>
<b>Increase/(Decrease)</b>	(\$300,000)
Percentage Change	(46.2%)
<b>FY 2013-14 Executive Request:</b>	<b>\$349,085</b>
Request Above/(Below) Recommendation	\$0

*Prior Year Annualization:* The recommendation includes a \$300,000 decrease for the annualization of the CUBS Collection System upgrade request in FY 2012-13.

**Private Collection Agency Fees**

This line funds payments to private collection agencies and out-of-pocket legal expenses that are incurred during the collection of debts owed to the State. The cash funds source is collection fees that are deposited into the Debt Collections Fund.

**➔ Staff Recommended Adjustment**

Staff asked the Department for additional information related to the \$1.1 million of spending authority provided in this line in comparison to the actual expenditures of \$775,000 in FY 2010-11 and \$675,000 in FY 2011-12, and the Department provided the following reply.

*As you are aware, the Central Collection Services (CCS) received spending authority in FY 2012-13 to upgrade the Columbia Ultimate Business Systems (CUBS) Debt Collection Software Application. Among several initiatives being undertaken, the major upgrade that is currently being started is called Ultimate Analytics and will provide the capability to analyze and "score" accounts for collectability at the time of assignment. This new analytics program will allow CCS to concentrate efforts of CCS staff on those accounts most likely to pay, and to better utilize the resources of private collection agencies and private counsel by sending more accounts and sending them sooner. Since the private collection agencies have the ability to staff up as needed due to increased volume, the Department anticipates that the amount collected by the State and therefore paid out in commission fees are projected to increase as well. Initial estimates show that it is possible that the fees paid to private collection agencies could potentially double from the most recent actuals as a result of the changes in the practices of CCS.*

*In addition to being able to determine which accounts will be best served by the different resources available to CCS in house and by private collection agencies, the Department also anticipates that the volume of accounts within CCS will increase in the current fiscal year and in the future.*

*During the last year, CCS has contracted with several political subdivisions to begin collecting past due debts on their behalf, resulting in increased numbers of accounts being assigned to CCS. The word is spreading among the remaining political subdivisions and those who have recently contracted with CCS causing more inquiries about taking on collections activities to be received. CCS is currently working with the West Metro Fire Protection District to take on their collection activity, which is estimated to be around 300 accounts per month worth approximately \$1100 each. The Department just recently submitted an RFP to collect past due debts for the City of Colorado Springs, which would result in a substantial number of new accounts assigned and is estimated to result in approximately \$50,000 annually in collections assignments. Although several Institutions of Higher Education chose to contract with private collection agencies as a result of legislation recently passed allowing them to do so, CCS continues to work accounts for those Institutions and is striving to regain more of their new business through obtaining the ability to provide online, real-time access to the system for clients and consumers. All of these initiatives are expected to increase the number of accounts assigned to private collection agencies and private counsel under contract with CCS, which will increase the amount of fees paid to them for their collection efforts. At this time, the Department believes that the spending authority is best left at its current level until it can determine the*

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*optimal level based on these new initiatives. Once these new initiatives are fully implemented, the Department will be better able to make a recommendation on an appropriate spending authority level.*

The Department believes that collections will increase and payments made from this line item may increase as well. The Department's preference is to leave the spending authority at its current level, until it can determine an optimal level based on the new initiatives.

Based on the changes taking place and improvements expected, it appears that this line will need to be adjusted in order to more accurately reflect improved collections throughout the program. Therefore, staff recommends reflecting spending authority in this appropriation that is closer to the last two years of available actual expenditures and request that the Department make adjustments to next year's budget request based on the updated information. Should the Department require additional spending authority in FY 2013-14, staff will support the Department's request for such. Staff prefers to reflect spending authority closer to actuals and be made aware of changing situations related to this line, rather than provide a *safe* but excessive level of spending authority that does not require reporting updated program information related to changes within the line.

**Request:** The Department requests a continuation appropriation of \$1,105,136 cash funds.

**Recommendation:** Staff recommends an appropriation of \$800,000 cash funds.

<b>(5) Division of Accounts and Control - Controller, (D) Collections Services, Private Collection Agency Fees</b>	
<b>Cash Funds</b>	
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	1,105,136
<b>TOTAL</b>	<b>\$1,105,136</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$1,105,136
Staff Recommended Adjustment	(305,136)
<b>TOTAL</b>	<b>\$800,000</b>
<b>Increase/(Decrease)</b>	<b>(\$305,136)</b>
Percentage Change	(27.6%)
<b>FY 2013-14 Executive Request:</b>	<b>\$1,105,136</b>
Request Above/(Below) Recommendation	\$305,136

*Staff Recommended Adjustment:* The recommendation includes a \$305,000 decrease to reflect cash fund spending authority that is closer to actual expenditures.

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$250,433 cash funds, consistent with Committee policy.

## (6) Administrative Courts

The Office of Administrative Courts (OAC) provides an independent administrative law adjudication system for State agencies to resolve cases that concern worker's compensation, public benefits (food stamps, Colorado Works/TANF, Medicaid, etc.), professional licensing board work involving the denial, revocation, suspension or other discipline, teacher dismissal cases, and when a citizen has filed a complaint under the Fair Campaign Practices Act. The OAC operates at three locations, including the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional office in Colorado Springs. It also provides hearings at other regional locations around the State. The OAC is cash funded through fees from user agencies and non-state entities. The cash funds source is fees from non-state agencies, and the source of reappropriated funds is fees from state agencies that are deposited into the Administrative Courts Cash Fund, created in Section 24-30-1001 (3), C.R.S.

### DIVISION REQUEST AND RECOMMENDATION SUMMARY

(6) Administrative Courts				
	Total Funds	Cash Funds	Reappropriated Funds	FTE
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	3,801,181	93,692	3,707,489	40.0
<b>TOTAL</b>	<b>\$3,801,181</b>	<b>\$93,692</b>	<b>\$3,707,489</b>	<b>40.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$3,801,181	\$93,692	\$3,707,489	40.0
OAC Common Policy Base Adjustment	0	12,224	(12,224)	0.0
Indirect Cost Assessment Adjustments	155,147	0	155,147	0.0
Prior Year Annualizations	(412,937)	0	(412,937)	0.0
<b>TOTAL</b>	<b>\$3,543,391</b>	<b>\$105,916</b>	<b>\$3,437,475</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	(\$257,790)	\$12,224	(\$270,014)	0.0
<b>Percentage Change</b>	(6.8%)	13.0%	(7.3%)	0.0%
<b>FY 2013-14 Executive Request:</b>	<b>\$3,543,391</b>	<b>\$105,916</b>	<b>\$3,437,475</b>	<b>40.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

#### Issue Descriptions

**OAC Common Policy Base Adjustment:** The recommendation includes a net-neutral funding adjustment.

**Prior Year Annualizations:** The recommendation includes a \$413,000 decrease in reappropriated funds for the annualization of the FY 2012-13 R-4 E-Filing System request.

#### LINE ITEM DETAIL

##### Personal Services

**Request and Recommendation:** The Department requests and staff recommends an appropriation of 40.0 FTE and \$3,229,131 total funds, including \$105,916 in cash funds and \$3,123,215 in reappropriated funds.



*JBC Staff Figure Setting – FY 2013-14*  
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<b>(6) Administrative Courts, Personal Services</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation:</b>				
HB 12-1335 (Long Bill)	3,229,131	93,692	3,135,439	40.0
<b>TOTAL</b>	<b>\$3,229,131</b>	<b>\$93,692</b>	<b>\$3,135,439</b>	<b>40.0</b>
<b>FY 2013-14 Recommended Appropriation:</b>				
FY 2012-13 Appropriation	\$3,229,131	\$93,692	\$3,135,439	40.0
OAC Common Policy Base Adjustment	0	12,224	(12,224)	0.0
<b>TOTAL</b>	<b>\$3,229,131</b>	<b>\$105,916</b>	<b>\$3,123,215</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	\$0	\$12,224	(\$12,224)	0.0
Percentage Change	0.0%	13.0%	(0.4%)	0.0%
<b>FY 2013-14 Executive Request:</b>				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

*OAC Common Policy Base Adjustment:* The recommendation includes a net-neutral funding adjustment.

**Operating Expenses**

**Request and Recommendation:** The Department requests and staff recommends an appropriation of \$143,260 reappropriated funds.

<b>(6) Administrative Courts, Operating Expenses</b>	
	<b>Reappropriated Funds</b>
<b>FY 2012-13 Appropriation:</b>	
HB 12-1335 (Long Bill)	556,197
<b>TOTAL</b>	<b>\$556,197</b>
<b>FY 2013-14 Recommended Appropriation:</b>	
FY 2012-13 Appropriation	\$556,197
Prior Year Annualizations	(412,937)
<b>TOTAL</b>	<b>\$143,260</b>
<b>Increase/(Decrease)</b>	(\$412,937)
Percentage Change	(74.2%)
<b>FY 2013-14 Executive Request:</b>	
Request Above/(Below) Recommendation	\$0

*Annualization:* The recommendation includes a \$413,000 decrease in reappropriated funds for the annualization of the FY 2012-13 R-4 E-Filing System request.

**Indirect Cost Assessment**

**Request and Recommendation:** The Department requests, and staff recommends, an appropriation of \$171,000 reappropriated funds, consistent with Committee policy.

## **Long Bill Footnotes and Requests for Information**

### **LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

The Long Bill for FY 2012-13 did not contain any footnotes specific to the Department and did not contain any requests for information. Staff recommends not including any footnotes or requests for information for the Department of Personnel.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

**Numberu Pages**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**DEPARTMENT OF PERSONNEL**  
**Kathy Nesbitt, Executive Director**

**(1) EXECUTIVE DIRECTOR'S OFFICE**

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

**(A) Department Administration**

Personal Services	<u>1,609,031</u>	<u>1,620,021</u>	<u>1,664,580</u>	<u>1,587,245</u>	<u>1,587,245</u> *
FTE	19.2	20.1	19.8	17.8	17.8
General Fund	0	(163)	0	0	0
Cash Funds	0	0	15,648	15,648	15,648
Reappropriated Funds	1,609,031	1,620,184	1,648,932	1,571,597	1,571,597
Health, Life, and Dental	<u>2,024,121</u>	<u>2,080,111</u>	<u>2,323,160</u>	<u>2,521,080</u>	<u>2,481,671</u> *
General Fund	476,270	561,139	644,083	666,747	650,977
Cash Funds	245,624	134,855	169,530	175,582	155,633
Reappropriated Funds	1,302,227	1,384,117	1,509,547	1,678,751	1,675,061
Short-term Disability	<u>30,464</u>	<u>33,417</u>	<u>33,585</u>	<u>38,750</u>	<u>38,335</u> *
General Fund	5,346	11,758	12,230	13,360	13,036
Cash Funds	8,789	2,366	2,319	3,156	2,867
Reappropriated Funds	16,329	19,293	19,036	22,234	22,432

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>457,147</u>	<u>523,557</u>	<u>635,318</u>	<u>745,107</u>	<u>732,739</u> *
General Fund	89,590	180,979	223,125	253,569	244,685
Cash Funds	99,238	37,438	48,191	61,876	56,004
Reappropriated Funds	268,319	305,140	364,002	429,662	432,050
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>343,309</u>	<u>420,544</u>	<u>545,059</u>	<u>672,665</u>	<u>660,716</u> *
General Fund	84,197	145,278	190,830	228,916	220,112
Cash Funds	74,800	30,084	41,414	55,860	50,559
Reappropriated Funds	184,312	245,182	312,815	387,889	390,045
Salary Survey					
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>568,493</u>	<u>664,921</u>
Cash Funds	0	0	0	111,765	136,518
Reappropriated Funds	0	0	0	75,560	83,711
Reappropriated Funds	0	0	0	381,168	444,692
Merit Pay					
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>307,703</u>	<u>299,879</u>
Cash Funds	0	0	0	93,873	86,049
Reappropriated Funds	0	0	0	22,253	22,253
Reappropriated Funds	0	0	0	191,577	191,577
Shift Differential					
Cash Funds	<u>30,600</u>	<u>31,283</u>	<u>39,582</u>	<u>42,040</u>	<u>47,088</u>
Cash Funds	0	4	0	0	0
Reappropriated Funds	30,600	31,279	39,582	42,040	47,088

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Workers' Compensation	<u>296,051</u>	<u>216,983</u>	<u>220,543</u>	<u>211,840</u>	<u>211,840</u>	P
General Fund	73,486	58,630	60,409	56,112	56,112	
Cash Funds	10,753	18,805	19,018	19,312	19,312	
Reappropriated Funds	211,812	139,548	141,116	136,416	136,416	
Operating Expenses	<u>70,759</u>	<u>90,924</u>	<u>100,481</u>	<u>99,531</u>	<u>99,531</u>	*
Reappropriated Funds	70,759	90,924	100,481	99,531	99,531	
Legal Services	<u>169,088</u>	<u>182,376</u>	<u>197,992</u>	<u>197,992</u>	<u>197,992</u>	P
General Fund	120,912	152,746	138,771	138,771	138,771	
Cash Funds	17	6,824	9,464	9,464	9,464	
Reappropriated Funds	48,159	22,806	49,757	49,757	49,757	
Administrative Law Judge Services	<u>5,226</u>	<u>3,070</u>	<u>4,697</u>	<u>6,168</u>	<u>6,168</u>	P
Cash Funds	0	0	4,697	6,057	6,057	
Reappropriated Funds	5,226	3,070	0	111	111	
Purchase of Services from Computer Center	<u>4,705,434</u>	<u>2,631,147</u>	<u>127,402</u>	<u>1,632,077</u>	<u>1,632,077</u>	* P
General Fund	1,465,202	0	72,997	423,868	423,868	
Cash Funds	358,622	293,948	5,369	53,601	53,601	
Reappropriated Funds	2,881,610	2,337,199	49,036	1,154,608	1,154,608	
Multiuse Network Payments	<u>160,722</u>	<u>178,927</u>	<u>420,164</u>	<u>203,749</u>	<u>203,749</u>	P
General Fund	0	0	115,084	53,969	53,969	
Cash Funds	0	0	36,230	18,575	18,575	
Reappropriated Funds	160,722	178,927	268,850	131,205	131,205	

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation	
Management and Administration of OIT	<u>90,717</u>	<u>92,896</u>	<u>35,884</u>	<u>0</u>	<u>0</u>	P
General Fund	11,582	25,102	9,829	0	0	
Cash Funds	7,902	8,051	3,094	0	0	
Reappropriated Funds	71,233	59,743	22,961	0	0	
COFRS Modernization	<u>0</u>	<u>0</u>	<u>288,061</u>	<u>288,061</u>	<u>288,061</u>	P
General Fund	0	0	128,128	128,128	128,128	
Cash Funds	0	0	16,396	16,396	16,396	
Reappropriated Funds	0	0	143,537	143,537	143,537	
Payment to Risk Management and Property Funds	<u>159,769</u>	<u>463,141</u>	<u>682,310</u>	<u>560,589</u>	<u>560,589</u>	* P
General Fund	11,484	125,140	186,894	148,487	148,487	
Cash Funds	2,797	40,140	58,837	51,103	51,103	
Reappropriated Funds	145,488	297,861	436,579	360,999	360,999	
Vehicle Lease Payments	<u>91,096</u>	<u>82,097</u>	<u>89,802</u>	<u>89,256</u>	<u>89,256</u>	* P
Cash Funds	0	0	2,256	2,256	2,256	
Reappropriated Funds	91,096	82,097	87,546	87,000	87,000	
Leased Space	<u>1,218,163</u>	<u>1,222,432</u>	<u>1,270,593</u>	<u>666,423</u>	<u>666,423</u>	
General Fund	0	437,764	454,781	258,016	258,016	
Cash Funds	16,149	16,219	88,570	49,776	49,776	
Reappropriated Funds	1,202,014	768,449	727,242	358,631	358,631	
Capitol Complex Leased Space	<u>994,125</u>	<u>846,033</u>	<u>837,576</u>	<u>2,125,852</u>	<u>2,125,852</u>	* P
General Fund	0	0	611,783	466,307	466,307	
Cash Funds	0	33,434	32,971	227,480	227,480	
Reappropriated Funds	994,125	812,599	192,822	1,432,065	1,432,065	

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Communication Services Payments	<u>832</u>	<u>889</u>	<u>1,517</u>	<u>1,172</u>	<u>1,172</u> P
General Fund	832	889	758	586	586
Reappropriated Funds	0	0	759	586	586
Governor's Transition	<u>12,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	12,650	0	0	0	0
<b>SUBTOTAL - (A) Department Administration</b>	12,469,304	10,719,848	9,518,306	12,565,793	12,595,304
<b>FTE</b>	<u>19.2</u>	<u>20.1</u>	<u>19.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	2,351,551	1,699,262	2,849,702	3,042,474	3,025,621
Cash Funds	824,691	622,168	554,004	863,955	840,695
Reappropriated Funds	9,293,062	8,398,418	6,114,600	8,659,364	8,728,988
<b>(B) Statewide Special Purpose</b>					
<b>(I) Colorado State Employees Assistance Program</b>					
Personal Services	<u>611,709</u>	<u>609,415</u>	<u>621,877</u>	<u>715,500</u>	<u>715,500</u> *
FTE	8.8	9.2	10.0	11.0	11.0
Reappropriated Funds	611,709	609,415	621,877	715,500	715,500
Operating Expenses	<u>51,404</u>	<u>51,860</u>	<u>52,844</u>	<u>53,794</u>	<u>53,794</u> *
Reappropriated Funds	51,404	51,860	52,844	53,794	53,794
Indirect Cost Assessment	<u>83,237</u>	<u>106,194</u>	<u>130,199</u>	<u>110,018</u>	<u>110,018</u>
Reappropriated Funds	83,237	106,194	130,199	110,018	110,018
<b>SUBTOTAL - (I) Colorado State Employees Assistance Program</b>	746,350	767,469	804,920	879,312	879,312
<b>FTE</b>	<u>8.8</u>	<u>9.2</u>	<u>10.0</u>	<u>11.0</u>	<u>11.0</u>
Reappropriated Funds	746,350	767,469	804,920	879,312	879,312

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(II) Office of the State Architect</b>					
Office of the State Architect	<u>452,843</u>	<u>453,825</u>	<u>467,005</u>	<u>467,005</u>	<u>467,005</u>
FTE	5.0	5.0	5.0	5.0	5.0
General Fund	452,843	453,825	467,005	467,005	467,005
<b>SUBTOTAL - (II) Office of the State Architect</b>	452,843	453,825	467,005	467,005	467,005
<b>FTE</b>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
General Fund	452,843	453,825	467,005	467,005	467,005
<b>(III) Colorado State Archives</b>					
Personal Services	<u>516,119</u>	<u>507,077</u>	<u>530,013</u>	<u>588,111</u>	<u>588,111</u> *
FTE	7.9	6.7	8.0	9.9	9.9
General Fund	405,496	388,551	408,974	405,594	405,594
Cash Funds	79,951	108,035	110,302	153,446	153,446
Reappropriated Funds	30,672	10,491	10,737	29,071	29,071
Operating Expenses	<u>50,744</u>	<u>38,676</u>	<u>56,794</u>	<u>362,447</u>	<u>62,447</u> *
General Fund	0	33,433	51,551	362,447	62,447
Reappropriated Funds	50,744	5,243	5,243	0	0
<b>SUBTOTAL - (III) Colorado State Archives</b>	566,863	545,753	586,807	950,558	650,558
<b>FTE</b>	<u>7.9</u>	<u>6.7</u>	<u>8.0</u>	<u>9.9</u>	<u>9.9</u>
General Fund	405,496	421,984	460,525	768,041	468,041
Cash Funds	79,951	108,035	110,302	153,446	153,446
Reappropriated Funds	81,416	15,734	15,980	29,071	29,071

\* This line item includes a decision item.



**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(IV) Address Confidentiality Program</b>					
Address Confidentiality Program					
Program Costs	0	111,876	128,823	0	0 *
FTE	0.0	1.0	2.0	0.0	0.0
Cash Funds	0	111,876	128,823	0	0
<b>SUBTOTAL - (IV) Address Confidentiality Program</b>					
	0	111,876	128,823	0	0
FTE	0.0	1.0	2.0	0.0	0.0
Cash Funds	0	111,876	128,823	0	0
<b>(V) Other Statewide Special Purpose</b>					
Test Facility Lease	119,842	119,842	119,842	119,842	119,842
General Fund	119,842	119,842	119,842	0	0
Reappropriated Funds	0	0	0	119,842	119,842
Employment Security Contract Payment	18,000	18,000	18,000	0	20,000
General Fund	11,264	11,264	11,264	0	11,264
Reappropriated Funds	6,736	6,736	6,736	0	8,736
<b>SUBTOTAL - (V) Other Statewide Special Purpose</b>					
	137,842	137,842	137,842	119,842	139,842
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	131,106	131,106	131,106	0	11,264
Reappropriated Funds	6,736	6,736	6,736	119,842	128,578

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>	<b>FY 2013-14 Recommendation</b>
<b>SUBTOTAL - (B) Statewide Special Purpose</b>	1,903,898	2,016,765	2,125,397	2,416,717	2,136,717
<i>FTE</i>	<u>21.7</u>	<u>21.9</u>	<u>25.0</u>	<u>25.9</u>	<u>25.9</u>
General Fund	989,445	1,006,915	1,058,636	1,235,046	946,310
Cash Funds	79,951	219,911	239,125	153,446	153,446
Reappropriated Funds	834,502	789,939	827,636	1,028,225	1,036,961
<b>TOTAL - (1) Executive Director's Office</b>	14,373,202	12,736,613	11,643,703	14,982,510	14,732,021
<i>FTE</i>	<u>40.9</u>	<u>42.0</u>	<u>44.8</u>	<u>43.7</u>	<u>43.7</u>
General Fund	3,340,996	2,706,177	3,908,338	4,277,520	3,971,931
Cash Funds	904,642	842,079	793,129	1,017,401	994,141
Reappropriated Funds	10,127,564	9,188,357	6,942,236	9,687,589	9,765,949

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**(2) DIVISION OF HUMAN RESOURCES**

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

**(A) Human Resource Services**

**(I) State Agency Services**

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

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

**(II) Training Services**

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

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Personal Services	0	0	<u>596,152</u>	<u>596,152</u>	<u>596,152</u> *
FTE	0.0	0.0	1.0	4.0	4.0
Cash Funds	0	0	33,417	33,417	33,417
Reappropriated Funds	0	0	562,735	562,735	562,735
Operating Expenses	0	0	<u>80,542</u>	<u>80,542</u>	<u>80,542</u> *
Cash Funds	0	0	6,888	6,888	6,888
Reappropriated Funds	0	0	73,654	73,654	73,654
Indirect Cost Assessment	0	9,414	<u>13,898</u>	<u>4,552</u>	<u>4,552</u>
Reappropriated Funds	0	9,414	13,898	4,552	4,552
<b>SUBTOTAL - (II) Training Services</b>	268,694	200,060	690,592	681,246	681,246
FTE	<u>1.0</u>	<u>1.2</u>	<u>1.0</u>	<u>4.0</u>	<u>4.0</u>
Cash Funds	35,098	68,949	40,305	40,305	40,305
Reappropriated Funds	233,596	131,111	650,287	640,941	640,941
<b>SUBTOTAL - (A) Human Resource Services</b>	1,923,228	1,744,938	2,396,868	2,387,522	2,387,522
FTE	<u>19.1</u>	<u>15.8</u>	<u>21.2</u>	<u>23.2</u>	<u>23.2</u>
General Fund	(20,702)	(133,100)	0	0	0
Cash Funds	35,098	68,949	40,305	40,305	40,305
Reappropriated Funds	1,908,832	1,809,089	2,356,563	2,347,217	2,347,217
<b>(B) Employee Benefits Services</b>					
Personal Services	<u>770,578</u>	<u>701,434</u>	<u>778,013</u>	<u>778,013</u>	<u>778,013</u> *
FTE	10.6	9.6	10.0	12.0	12.0
Cash Funds	770,578	701,434	778,013	778,013	778,013

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

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

**(C) Risk Management Services**

Personal Services	<u>648,820</u>	<u>602,347</u>	<u>753,646</u>	<u>753,646</u>	<u>753,646</u> *
FTE	9.2	8.8	10.5	11.5	11.5
Reappropriated Funds	648,820	602,347	753,646	753,646	753,646
Operating Expenses	<u>55,356</u>	<u>53,073</u>	<u>68,427</u>	<u>283,427</u>	<u>68,427</u> *
Reappropriated Funds	55,356	53,073	68,427	283,427	68,427
Actuarial and Broker Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,516</u>
Reappropriated Funds	0	0	0	0	326,516

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Workers' Compensation TPA Fees and Loss					
Control	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,200,000</u>
Reappropriated Funds	0	0	0	0	2,200,000
Risk Management Information System	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>137,448</u>
Reappropriated Funds	0	0	0	0	137,448
Indirect Cost Assessment	<u>183,888</u>	<u>178,656</u>	<u>52,088</u>	<u>42,010</u>	<u>42,010</u>
Reappropriated Funds	183,888	178,656	52,088	42,010	42,010
Liability Claims	<u>5,090,471</u>	<u>4,831,358</u>	<u>7,446,986</u>	<u>4,977,729</u>	<u>4,584,689</u> *
Cash Funds	20,193	0	0	0	0
Reappropriated Funds	5,070,278	4,831,358	7,446,986	4,977,729	4,584,689
Liability Excess Policy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>299,151</u>
Reappropriated Funds	0	0	0	0	299,151
Liability Legal Services	<u>2,442,448</u>	<u>2,383,902</u>	<u>2,461,185</u>	<u>3,056,460</u>	<u>3,056,460</u> * P
Cash Funds	104,880	0	0	0	0
Reappropriated Funds	2,337,568	2,383,902	2,461,185	3,056,460	3,056,460
Property Policies	<u>7,881,786</u>	<u>7,824,968</u>	<u>8,698,417</u>	<u>8,254,831</u>	<u>5,074,822</u> *
Cash Funds	19	0	0	0	0
Reappropriated Funds	7,881,767	7,824,968	8,698,417	8,254,831	5,074,822
Property Deductibles and Payouts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,909,193</u>
Reappropriated Funds	0	0	0	0	2,909,193

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>	<b>FY 2013-14 Recommendation</b>
Workers' Compensation Claims	<u>35,441,933</u>	<u>33,565,516</u>	<u>38,808,757</u>	<u>41,240,079</u>	<u>36,883,838</u> *
Reappropriated Funds	35,441,933	33,565,516	38,808,757	41,240,079	36,883,838
Workers' Compensation Excess Policy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>951,893</u>
Reappropriated Funds	0	0	0	0	951,893
Workers' Compensation Legal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,085,089</u> P
Reappropriated Funds	0	0	0	0	1,085,089
<b>SUBTOTAL - (C) Risk Management Services</b>	<b>51,744,702</b>	<b>49,439,820</b>	<b>58,289,506</b>	<b>58,608,182</b>	<b>58,373,182</b>
<i>FTE</i>	<u>9.2</u>	<u>8.8</u>	<u>10.5</u>	<u>11.5</u>	<u>11.5</u>
Cash Funds	125,092	0	0	0	0
Reappropriated Funds	51,619,610	49,439,820	58,289,506	58,608,182	58,373,182
<b>TOTAL - (2) Division of Human Resources</b>	<b>55,213,772</b>	<b>53,435,529</b>	<b>62,960,798</b>	<b>63,210,937</b>	<b>62,975,937</b>
<i>FTE</i>	<u>38.9</u>	<u>34.2</u>	<u>41.7</u>	<u>46.7</u>	<u>46.7</u>
General Fund	(20,702)	(133,100)	0	0	0
Cash Funds	1,706,032	2,319,720	2,314,729	2,255,538	2,255,538
Reappropriated Funds	53,528,442	51,248,909	60,646,069	60,955,399	60,720,399

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES**

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

**(A) Personnel Board**

Personal Services	<u>417,723</u>	<u>462,849</u>	<u>473,603</u>	<u>473,603</u>	<u>473,603</u>
FTE	4.5	4.8	4.8	4.8	4.8
General Fund	416,913	462,287	472,425	472,425	472,425
Cash Funds	810	562	1,178	1,178	1,178
Operating Expenses	<u>19,478</u>	<u>19,087</u>	<u>20,505</u>	<u>20,505</u>	<u>20,505</u>
General Fund	0	0	1,027	20,505	20,505
Reappropriated Funds	19,478	19,087	19,478	0	0
Legal Services	<u>24,875</u>	<u>24,984</u>	<u>25,493</u>	<u>25,493</u>	<u>25,493</u> P
General Fund	24,875	24,984	25,493	25,493	25,493

<b>TOTAL - (3) Constitutionally Independent Entities</b>	462,076	506,920	519,601	519,601	519,601
FTE	<u>4.5</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>
General Fund	441,788	487,271	498,945	518,423	518,423
Cash Funds	810	562	1,178	1,178	1,178
Reappropriated Funds	19,478	19,087	19,478	0	0

P - This line item is pending. The figure shown reflects the request amount.



**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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**(4) CENTRAL SERVICES**

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

**(A) Administration**

Personal Services	<u>717,936</u>	<u>670,543</u>	<u>740,605</u>	<u>649,250</u>	<u>649,250</u> *
FTE	9.0	8.7	10.0	8.0	8.0
Cash Funds	0	0	91,355	0	0
Reappropriated Funds	717,936	670,543	649,250	649,250	649,250
 Operating Expenses	 <u>66,292</u>	 <u>61,325</u>	 <u>77,427</u>	 <u>58,445</u>	 <u>58,445</u> *
Cash Funds	0	0	9,502	0	0
Reappropriated Funds	66,292	61,325	67,925	58,445	58,445
 Indirect Cost Assessment	 <u>139,025</u>	 <u>115,630</u>	 <u>110,094</u>	 <u>56,068</u>	 <u>65,463</u> *
Cash Funds	0	0	13,623	4,228	13,623
Reappropriated Funds	139,025	115,630	96,471	51,840	51,840
 <b>SUBTOTAL - (A) Administration</b>	 <b>923,253</b>	 <b>847,498</b>	 <b>928,126</b>	 <b>763,763</b>	 <b>773,158</b>
FTE	9.0	8.7	10.0	8.0	8.0
Cash Funds	0	0	114,480	4,228	13,623
Reappropriated Funds	923,253	847,498	813,646	759,535	759,535

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(B) Integrated Document Solutions</b>					
Personal Services	<u>0</u>	<u>0</u>	<u>6,160,955</u>	<u>5,898,212</u>	<u>5,898,212</u> *
FTE	0.0	0.0	113.6	106.4	106.4
Cash Funds	0	0	133,509	133,509	133,509
Reappropriated Funds	0	0	6,027,446	5,764,703	5,764,703
Personal Services Contingency	<u>0</u>	<u>0</u>	<u>468,656</u>	<u>468,656</u>	<u>0</u>
Cash Funds	0	0	8,106	8,106	0
Reappropriated Funds	0	0	460,550	460,550	0
Operating Expenses	<u>0</u>	<u>0</u>	<u>12,412,890</u>	<u>12,634,397</u>	<u>12,507,407</u> *
Cash Funds	0	0	971,105	971,105	971,105
Reappropriated Funds	0	0	11,441,785	11,663,292	11,536,302
Operating Expenses Contingency Funds	<u>0</u>	<u>0</u>	<u>700,365</u>	<u>700,365</u>	<u>0</u>
Cash Funds	0	0	9,506	9,506	0
Reappropriated Funds	0	0	690,859	690,859	0
Utilities	<u>0</u>	<u>0</u>	<u>69,000</u>	<u>69,000</u>	<u>69,000</u>
Reappropriated Funds	0	0	69,000	69,000	69,000
Mail Equipment Purchase	<u>0</u>	<u>0</u>	<u>223,754</u>	<u>223,754</u>	<u>223,754</u>
General Fund	0	0	46,130	46,130	46,130
Reappropriated Funds	0	0	177,624	177,624	177,624
Address Confidentiality Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>128,823</u>	<u>128,823</u> *
FTE	0.0	0.0	0.0	2.0	2.0
Cash Funds	0	0	0	128,823	128,823

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>920,565</u>	<u>384,732</u>	<u>384,732</u>
Reappropriated Funds	0	0	920,565	384,732	384,732
<b>SUBTOTAL - (B) Integrated Document</b>					
<b>Solutions</b>	0	0	20,956,185	20,507,939	19,211,928
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>113.6</u>	<u>108.4</u>	<u>108.4</u>
General Fund	0	0	46,130	46,130	46,130
Cash Funds	0	0	1,122,226	1,251,049	1,233,437
Reappropriated Funds	0	0	19,787,829	19,210,760	17,932,361

**(B) Integrated Document Solutions**

**(I) Reprographics Services**

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

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

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

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

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

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>SUBTOTAL - (III) Mail Services</b>	9,576,406	9,839,806	0	0	0
<i>FTE</i>	<u>41.9</u>	<u>38.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,978	46,129	0	0	0
Cash Funds	71,232	797,821	0	0	0
Reappropriated Funds	9,490,196	8,995,856	0	0	0

<b>SUBTOTAL - (B) Integrated Document</b>					
<b>Solutions</b>	16,954,940	17,776,703	0	0	0
<i>FTE</i>	<u>108.6</u>	<u>106.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,978	46,129	0	0	0
Cash Funds	197,750	1,012,717	0	0	0
Reappropriated Funds	16,742,212	16,717,857	0	0	0

**(C) Fleet Management Program and Motor Pool Services**

Personal Services	<u>712,642</u>	<u>693,015</u>	<u>737,783</u>	<u>737,783</u>	<u>737,783</u>
<i>FTE</i>	12.8	13.0	14.0	14.0	14.0
Reappropriated Funds	712,642	693,015	737,783	737,783	737,783
Operating Expenses	<u>20,675,568</u>	<u>21,852,233</u>	<u>25,728,564</u>	<u>25,728,564</u>	<u>214,271</u>
Reappropriated Funds	20,675,568	21,852,233	25,728,564	25,728,564	214,271
Fuel and Automotive Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,514,293</u>
Reappropriated Funds	0	0	0	0	25,514,293
Operating Expenses Contingency Funds	<u>0</u>	<u>1,213,916</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	1,213,916	0	0	0

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Appropriation</b>	<b>FY 2013-14 Request</b>	<b>FY 2013-14 Recommendation</b>
Vehicle Replacement Lease/Purchase	<u>14,519,741</u>	<u>14,695,589</u>	<u>15,686,775</u>	<u>18,014,816</u>	<u>18,014,816</u> * P
Reappropriated Funds	14,519,741	14,695,589	15,686,775	18,014,816	18,014,816
Indirect Cost Assessment	<u>641,731</u>	<u>614,667</u>	<u>681,276</u>	<u>364,528</u>	<u>364,528</u>
Reappropriated Funds	641,731	614,667	681,276	364,528	364,528
<b>SUBTOTAL - (C) Fleet Management Program and Motor Pool Services</b>	36,549,682	39,069,420	42,834,398	44,845,691	44,845,691
<b>FTE</b>	<u>12.8</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>
Reappropriated Funds	36,549,682	39,069,420	42,834,398	44,845,691	44,845,691

**(D) Facilities Maintenance - Capitol Complex**

Personal Services	<u>0</u>	<u>0</u>	<u>2,803,256</u>	<u>2,803,256</u>	<u>2,803,256</u>
FTE	0.0	0.0	55.2	55.2	55.2
Reappropriated Funds	0	0	2,803,256	2,803,256	2,803,256
Operating Expenses	<u>0</u>	<u>0</u>	<u>1,884,034</u>	<u>2,696,625</u>	<u>182,185</u> *
Reappropriated Funds	0	0	1,884,034	2,696,625	182,185
Capitol Complex Custodial	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,029,115</u> *
Reappropriated Funds	0	0	0	0	1,029,115
Capitol Complex Controlled Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,019,845</u> *
Reappropriated Funds	0	0	0	0	1,019,845
Capitol Complex Repairs	<u>0</u>	<u>0</u>	<u>56,520</u>	<u>56,520</u>	<u>0</u>
Reappropriated Funds	0	0	56,520	56,520	0

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Capitol Complex Security	0	0	<u>375,064</u>	<u>375,064</u>	<u>375,064</u> P
Reappropriated Funds	0	0	375,064	375,064	375,064
Utilities	0	0	<u>4,963,279</u>	<u>4,910,608</u>	<u>4,900,852</u> *
Cash Funds	0	0	290,276	290,276	290,276
Reappropriated Funds	0	0	4,673,003	4,620,332	4,610,576
Indirect Cost Assessment	0	0	<u>455,882</u>	<u>2,067,945</u>	<u>2,067,945</u>
Reappropriated Funds	0	0	455,882	2,067,945	2,067,945
<b>SUBTOTAL - (D) Facilities Maintenance -</b>					
<b>Capitol Complex</b>	0	0	10,538,035	12,910,018	12,378,262
FTE	<u>0.0</u>	<u>0.0</u>	<u>55.2</u>	<u>55.2</u>	<u>55.2</u>
Cash Funds	0	0	290,276	290,276	290,276
Reappropriated Funds	0	0	10,247,759	12,619,742	12,087,986

**(D) Facilities Maintenance**

**(I) Capitol Complex Facilities**

Personal Services	<u>2,785,898</u>	<u>2,505,112</u>	0	0	0
FTE	54.1	50.4	0.0	0.0	0.0
Reappropriated Funds	2,785,898	2,505,112	0	0	0
Operating Expenses	<u>1,968,318</u>	<u>1,618,758</u>	0	0	0
Cash Funds	55,195	0	0	0	0
Reappropriated Funds	1,913,123	1,618,758	0	0	0
Capitol Complex Repairs	<u>56,520</u>	<u>56,452</u>	0	0	0
Reappropriated Funds	56,520	56,452	0	0	0

\*This line item includes a decision item.

P - This line item is pending. The figure shown reflects the request amount.



**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Capitol Complex Security	<u>353,365</u>	<u>367,663</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	353,365	367,663	0	0	0
Utilities	<u>4,107,820</u>	<u>3,430,523</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,107,820	3,430,523	0	0	0
Indirect Cost Assessment	<u>525,058</u>	<u>457,027</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	525,058	457,027	0	0	0
<b>SUBTOTAL - (I) Capitol Complex Facilities</b>	9,796,979	8,435,535	0	0	0
<i>FTE</i>	<u>54.1</u>	<u>50.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	55,195	0	0	0	0
Reappropriated Funds	9,741,784	8,435,535	0	0	0
<b>(II) Grand Junction State Services Building</b>					
Personal Services	<u>0</u>	<u>44,773</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	1.0	0.0	0.0	0.0
Reappropriated Funds	0	44,773	0	0	0
Operating Expenses	<u>0</u>	<u>104,142</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	104,142	0	0	0
Utilities	<u>0</u>	<u>82,987</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	82,987	0	0	0
<b>SUBTOTAL - (II) Grand Junction State Services Building</b>	0	231,902	0	0	0
<i>FTE</i>	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	0	231,902	0	0	0

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(III) Camp George West</b>					
Personal Services	<u>0</u>	<u>68,888</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	1.0	0.0	0.0	0.0
Reappropriated Funds	0	68,888	0	0	0
Operating Expenses	<u>0</u>	<u>101,659</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	101,659	0	0	0
Utilities	<u>0</u>	<u>410,882</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	0	410,882	0	0	0
<b>SUBTOTAL - (III) Camp George West</b>	<b>0</b>	<b>581,429</b>	<b>0</b>	<b>0</b>	<b>0</b>
FTE	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	0	581,429	0	0	0
<b>SUBTOTAL - (D) Facilities Maintenance</b>	<b>9,796,979</b>	<b>9,248,866</b>	<b>0</b>	<b>0</b>	<b>0</b>
FTE	<u>54.1</u>	<u>52.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	55,195	0	0	0	0
Reappropriated Funds	9,741,784	9,248,866	0	0	0
<b>TOTAL - (4) Central Services</b>	<b>64,224,854</b>	<b>66,942,487</b>	<b>75,256,744</b>	<b>79,027,411</b>	<b>77,209,039</b>
FTE	<u>184.5</u>	<u>180.7</u>	<u>192.8</u>	<u>185.6</u>	<u>185.6</u>
General Fund	14,978	46,129	46,130	46,130	46,130
Cash Funds	252,945	1,012,717	1,526,982	1,545,553	1,537,336
Reappropriated Funds	63,956,931	65,883,641	73,683,632	77,435,728	75,625,573

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

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

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

**(A) Office of the State Controller**

Personal Services	<u>2,206,471</u>	<u>2,529,645</u>	<u>2,518,582</u>	<u>2,682,872</u>	<u>2,518,582</u> *
FTE	27.5	28.5	34.3	34.1	32.3
General Fund	983,508	570,467	2,143,661	804,862	640,572
Cash Funds	578,565	272,555	374,921	1,152,617	1,152,617
Reappropriated Funds	644,398	1,686,623	0	725,393	725,393
Operating Expenses	<u>108,252</u>	<u>110,177</u>	<u>130,275</u>	<u>141,581</u>	<u>130,275</u> *
General Fund	0	0	6,079	35,583	24,277
Cash Funds	18,253	82,407	105,998	105,998	105,998
Reappropriated Funds	89,999	27,770	18,198	0	0
Recovery Audit Program Disbursements	0	0	1,600,000	1,600,000	1,000
Cash Funds	0	0	1,600,000	1,600,000	1,000
<b>SUBTOTAL - (A) Office of the State Controller</b>	<b>2,314,723</b>	<b>2,639,822</b>	<b>4,248,857</b>	<b>4,424,453</b>	<b>2,649,857</b>
<b>FTE</b>	<b><u>27.5</u></b>	<b><u>28.5</u></b>	<b><u>34.3</u></b>	<b><u>34.1</u></b>	<b><u>32.3</u></b>
General Fund	983,508	570,467	2,149,740	840,445	664,849
Cash Funds	596,818	354,962	2,080,919	2,858,615	1,259,615
Reappropriated Funds	734,397	1,714,393	18,198	725,393	725,393

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(B) State Purchasing Office</b>					
Personal Services	<u>923,977</u>	<u>706,807</u>	<u>805,769</u>	<u>910,223</u>	<u>805,769</u> *
FTE	8.7	7.2	12.5	11.5	9.5
General Fund	55,645	(1)	0	0	0
Cash Funds	868,332	706,808	805,769	910,223	805,769
Operating Expenses	<u>158,731</u>	<u>25,979</u>	<u>27,000</u>	<u>32,798</u>	<u>27,000</u> *
Cash Funds	158,731	25,979	27,000	32,798	27,000
Statewide Travel Management Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,857</u> *
FTE	0.0	0.0	0.0	0.0	2.0
Cash Funds	0	0	0	0	100,857
<b>SUBTOTAL - (B) State Purchasing Office</b>	1,082,708	732,786	832,769	943,021	933,626
<b>FTE</b>	<u>8.7</u>	<u>7.2</u>	<u>12.5</u>	<u>11.5</u>	<u>11.5</u>
General Fund	55,645	(1)	0	0	0
Cash Funds	1,027,063	732,787	832,769	943,021	933,626

**(C) Supplier Database and e-Procurement**

Personal Services	<u>240,573</u>	<u>193,917</u>	<u>804,474</u>	<u>428,426</u>	<u>428,426</u> *
FTE	2.7	2.2	6.0	7.0	7.0
Cash Funds	240,573	193,917	804,474	428,426	428,426
Operating Expenses	<u>45,573</u>	<u>1,124,476</u>	<u>1,150,510</u>	<u>2,501,539</u>	<u>2,501,539</u> *
Cash Funds	45,573	1,124,476	1,150,510	2,501,539	2,501,539

\* This line item includes a decision item.

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>SUBTOTAL - (C) Supplier Database and e-Procurement</b>	286,146	1,318,393	1,954,984	2,929,965	2,929,965
<i>FTE</i>	<u>2.7</u>	<u>2.2</u>	<u>6.0</u>	<u>7.0</u>	<u>7.0</u>
Cash Funds	286,146	1,318,393	1,954,984	2,929,965	2,929,965
<b>(D) Collections Services</b>					
Personal Services	<u>916,561</u>	<u>754,822</u>	<u>924,596</u>	<u>924,596</u>	<u>924,596</u>
<i>FTE</i>	18.4	15.1	20.0	20.0	20.0
Cash Funds	916,561	754,822	924,596	924,596	924,596
Operating Expenses	<u>333,914</u>	<u>348,655</u>	<u>649,085</u>	<u>349,085</u>	<u>349,085</u>
Cash Funds	333,914	348,655	649,085	349,085	349,085
Private Collection Agency Fees	<u>775,218</u>	<u>675,154</u>	<u>1,105,136</u>	<u>1,105,136</u>	<u>800,000</u>
Cash Funds	775,218	675,154	1,105,136	1,105,136	800,000
Indirect Cost Assessment	<u>342,534</u>	<u>270,124</u>	<u>288,718</u>	<u>250,433</u>	<u>250,433</u>
Cash Funds	342,534	270,124	288,718	250,433	250,433
<b>SUBTOTAL - (D) Collections Services</b>	2,368,227	2,048,755	2,967,535	2,629,250	2,324,114
<i>FTE</i>	<u>18.4</u>	<u>15.1</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>
Cash Funds	2,368,227	2,048,755	2,967,535	2,629,250	2,324,114
<b>TOTAL - (5) Division of Accounts and Control - Controller</b>	6,051,804	6,739,756	10,004,145	10,926,689	8,837,562
<i>FTE</i>	<u>57.3</u>	<u>53.0</u>	<u>72.8</u>	<u>72.6</u>	<u>70.8</u>
General Fund	1,039,153	570,466	2,149,740	840,445	664,849
Cash Funds	4,278,254	4,454,897	7,836,207	9,360,851	7,447,320
Reappropriated Funds	734,397	1,714,393	18,198	725,393	725,393

**JBC Staff Staff Figure Setting - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
<b>(6) ADMINISTRATIVE COURTS</b>					
This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human services, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation.					
Personal Services	<u>3,116,039</u>	<u>3,192,556</u>	<u>3,229,131</u>	<u>3,229,131</u>	<u>3,229,131</u> *
FTE	36.6	37.3	40.0	40.0	40.0
Cash Funds	103,743	144,211	93,692	105,916	105,916
Reappropriated Funds	3,012,296	3,048,345	3,135,439	3,123,215	3,123,215
Operating Expenses	<u>134,589</u>	<u>128,286</u>	<u>556,197</u>	<u>143,260</u>	<u>143,260</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	134,589	128,286	556,197	143,260	143,260
Indirect Cost Assessment	<u>258,320</u>	<u>185,047</u>	<u>15,853</u>	<u>171,000</u>	<u>171,000</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	258,320	185,047	15,853	171,000	171,000
<b>TOTAL - (6) Administrative Courts</b>	<b>3,508,948</b>	<b>3,505,889</b>	<b>3,801,181</b>	<b>3,543,391</b>	<b>3,543,391</b>
<b>FTE</b>	<b><u>36.6</u></b>	<b><u>37.3</u></b>	<b><u>40.0</u></b>	<b><u>40.0</u></b>	<b><u>40.0</u></b>
Cash Funds	103,743	144,211	93,692	105,916	105,916
Reappropriated Funds	3,405,205	3,361,678	3,707,489	3,437,475	3,437,475
<b>TOTAL - Department of Personnel</b>	<b>143,834,656</b>	<b>143,867,194</b>	<b>164,186,172</b>	<b>172,210,539</b>	<b>167,817,551</b>
<b>FTE</b>	<b><u>362.7</u></b>	<b><u>352.0</u></b>	<b><u>396.9</u></b>	<b><u>393.4</u></b>	<b><u>391.6</u></b>
General Fund	4,816,213	3,676,943	6,603,153	5,682,518	5,201,333
Cash Funds	7,246,426	8,774,186	12,565,917	14,286,437	12,341,429
Reappropriated Funds	131,772,017	131,416,065	145,017,102	152,241,584	150,274,789

\* This line item includes a decision item.