

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2010-11 STAFF FIGURE SETTING:

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

**Prepared By:
Caroline Smith, JBC Staff
March 9, 2010**

For Further Information Contact:

**Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
Facsimile: (303) 866-2150
(TDD 866-3472)**

**JBC WORKING DOCUMENT - All Decisions Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION
FY 2010-11 FIGURE SETTING**

Table of Contents

	Numbers Pages	Narrative
Summary of Major Staff Recommendations	n/a	29
Executive Director's Office	1	31
Statewide Indirect Cost Recoveries	n/a	31
Staffing Summary	n/a	33
Decision Item #1 - FTE Reallocation	1	34
Division of Human Resources	7	47
Technical Adjustments, ARRA Funds	7	48
Decision Item #2 - Operating Reduction	9	51
Constitutionally Independent Entities	12	56
Central Services	15	58
Contingency Funds	n/a	59
Fleet Operating Expenses	17	68
Combine Facilities Maintenance Line Items	18	69
Nonprioritized Request, Funds for Federal Reimbursement	18	72
Transfer Funds Between Utilities and Operating Line Items	18	73
Division of Accounts and Control	22	76
Office of the State Controller, Personal Services Calculations	23	78
Budget Amendment: \$250,000 for Federal Reimbursements	23	80
Office of Administrative Courts	28	83
Footnotes	n/a	86
Requests for Information	n/a	87
Appendix A: Capitol Complex Budget Drivers	n/a	89
Appendix B: Transfer Funds for Equipment Maintenance	n/a	90

**Fiscal Year 2010-11 Joint Budget Committee Staff Figure Setting
Department of Personnel and Administration**

NUMBERS PAGES

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
--	------------------------------	------------------------------	------------------------------	-------------------------------	-------------------------------	----------------------------

DEPARTMENT OF PERSONNEL AND ADMINISTRATION
Executive Director: Rich Gonzales

Please note: The Department's Long Bill was reorganized for FY 2009-10, so certain line items or divisions may erroneously appear to have experienced significant changes to their appropriations. It is possible that significant changes between fiscal years for a line item's appropriations may be the result of combining or dividing line items, and not result from significant changes in the Department's total appropriation amount.

(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 - CFE / RF	1,648,595	1,663,416	1,787,762	1,674,443	1,674,443	DI#1
FTE	<u>18.6</u>	<u>21.5</u>	<u>21.0</u> S	<u>20.5</u> A	<u>19.5</u>	
Cash Funds	0	0	147005 S	0 A	0	
Reappropriated Funds	1,648,595	1,663,416	1,640,757 S	1,674,443 A	1,674,443	
Health, Life, and Dental	<u>1,943,979</u>	<u>1,781,461</u>	<u>1,724,061</u>	<u>2,065,561</u>	<u>Pending</u>	
General Fund	427,606	579,970	45,250	432,988		
Cash Funds	61,693	0	9,532	109,255		
Cash Funds Exempt / Reappropriated Funds	1,454,680	1,201,491	1,669,279	1,523,318		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Short-term Disability	<u>39,612</u>	<u>6,034</u>	<u>30,885</u>	<u>31,283</u>	<u>30,464</u>	
General Fund	4,279	0	8,497	9,236 A	5,346	
Cash Funds	1,662	0	1,923	4,029 A	8,789	
Cash Funds Exempt / Reappropriated Funds	33,671	6,034	20,465	18,018 A	16,329	
S.B. 04-257 Amortization Equalization Disbursement	<u>364,549</u>	<u>329,919</u>	<u>416,106</u>	<u>484,385</u>	<u>471,705</u>	
General Fund	38,403	44,125	116,674	143,005	93,478	
Cash Funds	15,338	0	24,816	62,391	99,238	
Cash Funds Exempt / Reappropriated Funds	310,808	285,794	274,616	278,989	278,989	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>74,805</u>	<u>143,957</u>	<u>258,830</u>	<u>353,197</u>	<u>348,952</u>	
General Fund	6,857	19,950	71,685	104,275	87,232	
Cash Funds	3,195	0	15,510	45,493	77,362	
Cash Funds Exempt / Reappropriated Funds	64,753	124,007	171,635	203,429	184,358	
Salary Survey and Senior Executive Service	<u>1,013,181</u>	<u>804,924</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	351,590	362,947	0	0	0	
Cash Funds	26,547	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	635,044	441,977	0	0	0	
Performance-based Pay	<u>452,091</u>	<u>325,410</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	147,658	141,466	0	0	0	
Cash Funds	12,621	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	291,812	183,944	0	0	0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Shift Differential	<u>0</u>	<u>39,126</u>	<u>37,736</u>	<u>31,301</u>	<u>30,600</u>	
Cash Funds	0	0	0	2,427	0	
Cash Funds Exempt / Reappropriated Funds	0	39,126	37,736	28,874	30,600	
Workers' Compensation	<u>229,279</u>	<u>205,462</u>	<u>309,106</u>	<u>322,687</u>	<u>Pending</u>	
General Fund	58,979	61,346	76,726	82,706		
Cash Funds	1,268	0	8,656	20,152		
Cash Funds Exempt / Reappropriated Funds	169,032	144,116	223,724	219,829		
Operating Expenses - CFE / RF	<u>99,698</u>	<u>92,440</u>	<u>129,238</u>	<u>95,782</u>	<u>95,440</u>	
Cash Funds	0	0	50,980 S	0	0	
Cash Funds Exempt / Reappropriated Funds	99,698	92,440	78,258 S	95,782 A	95,440	
Legal Services	<u>369,193</u>	<u>363,978</u>	<u>227,723</u>	<u>227,723</u>	<u>Pending</u>	
Hours	<u>5,126</u>	<u>4,847</u>	<u>3,021</u>	<u>3,021</u>	<u>3,021</u>	
General Fund	324,182	314,815	177,972	177,972		
Cash Funds Exempt / Reappropriated Funds	45,011	49,163	49,751	49,751		
Administrative Law Judge Services	<u>2,511</u>	<u>2,414</u>	<u>6,191</u>	<u>5,301</u>	<u>Pending</u>	
General Fund	0	0	0	0		
Cash Funds	0	0	0	3,956		
Cash Funds Exempt / Reappropriated Funds	2,511	2,414	6,191	1,345		
Purchase of Services from Computer Center	<u>3,053,344</u>	<u>2,294,353</u>	<u>2,141,646</u>	<u>4,707,429</u>	<u>Pending</u>	
General Fund	2,357,487	947,875	884,787 S	3,310,706 A		SWDI #1 -
Cash Funds	0	0	0	193,714 A		OIT
Cash Funds Exempt / Reappropriated Funds	695,857	1,346,478	1,256,859 S	1,203,009 A		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Multiuse Network Payments - CFE / RF	101,764	67,547	67,547	160,911	Pending	
Management and Administration of OIT	<u>0</u>	<u>57,291</u>	<u>60,127</u>	<u>90,068</u>	Pending	
General Fund	0	15,658	16,433	23,086		
Cash Funds	0	292	306	5,624		
Cash Funds Exempt / Reappropriated Funds	0	41,341	43,388	61,358		
Payment to Risk Management and Property Funds	<u>560,892</u>	<u>651,845</u>	<u>569,539</u>	<u>44,797</u>	Pending	
General Fund	144,283	194,582	141,370	11,484		
Cash Funds	3,102	0	15,949	2,797		
Cash Funds Exempt / Reappropriated Funds	413,507	457,263	412,220	30,516		
Vehicle Lease Payments	<u>103,446</u>	<u>53,360</u>	<u>66,468</u>	<u>99,325</u>	Pending	
General Fund	174	2,005	0	0		
Cash Funds Exempt / Reappropriated Funds	103,272	51,355	66,468	99,325	A	DI #3
Leased Space	<u>1,431,706</u>	<u>1,128,278</u>	<u>1,270,593</u>	<u>1,270,593</u>	<u>1,270,593</u>	
General Fund	482,497	372,133	414,298	414,298	414,298	
Cash Funds	17,163	15,474	17,163	17,163	84,278	
Cash Funds Exempt / Reappropriated Funds	932,046	740,671	839,132	839,132	772,017	
Capitol Complex Leased Space	<u>1,195,160</u>	<u>809,098</u>	<u>889,810</u>	<u>994,125</u>	Pending	
General Fund	571,387	559,100	582,895	564,514		
Cash Funds Exempt / Reappropriated Funds	623,773	249,998	306,915	429,611		
Communications Services Payments	<u>849</u>	<u>887</u>	<u>887</u>	<u>841</u>	<u>0</u>	
General Fund	849	887	887	841		
Cash Funds Exempt / Reappropriated Funds	0	0	0	0		

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Test Facility Lease ^{a/} General Fund	119,842	119,842	N/A	N/A	N/A	
Employment Security Contract Payment ^{a/}	<u>17,033</u>	<u>17,333</u>	<u>N/A</u>	<u>N/A</u>	N/A	
General Fund	10,709	10,822	0	0		
Cash Funds Exempt / Reappropriated Funds	6,324	6,511	0	0		
Employees Emeritus Retirement ^{a/} General Fund	7,122	7,290	N/A	N/A	N/A	
HIPAA - Security Remediation	181,474	219,543	153,488	19,270	0	
FTE	<u>2.0</u>	<u>1.0</u>	<u>0.4</u> S	<u>0.0</u>	<u>0.0</u>	
General Fund	71,246	77,263	33,370 S	2,160	0	OIT
Cash Funds Exempt / Reappropriated Funds	110,228	142,280	120,118	17,110	0	Consolidation
SUBTOTAL (A) Department Administration	13,010,125	11,185,208	10,147,743	12,679,022	3,922,197	
FTE	<u>20.6</u>	<u>22.5</u>	<u>21.4</u>	<u>20.5</u>	<u>19.5</u>	
General Fund	5,125,150	3,832,076	2,570,844	5,277,271	600,354	
Cash Funds	142,589	15,766	291,840	467,001	269,667	
Cash Funds Exempt / Reappropriated Funds	7,742,386	7,337,366	7,285,059	6,934,750	3,052,176	

a/ These programs were moved to the (B) Statewide Special Purpose section for FY 2009-10.

(B) Statewide Special Purpose^{a/}

(1) Colorado State Employees Assistance Program

Personal Services - CFE / RF	N/A	N/A	631,347	617,440 A	617,440	
FTE	N/A	N/A	10.0	10.0	10.0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Operating Expenses - CFE / RF	N/A	N/A	52,825 S	52,844 A	52,844	
Indirect Cost Assessment - CFE / RF	N/A	N/A	112,816	83,237	83,237	
(2) Office of the State Architect ^{a/}	N/A	N/A	467,425	458,116	485,116	
FTE	N/A	N/A	<u>5.3</u> S	<u>5.0</u> A	<u>5.0</u>	
General Fund	N/A	N/A	467,425 S	458,116 A	0	
Cash Funds	N/A	N/A	0	0	0	
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	0	0	485,116	
(3) Colorado State Archives ^{a/}						
Personal Services	N/A	N/A	538,085	524,770	524,770	
FTE	<u>N/A</u>	<u>N/A</u>	<u>8.5</u>	<u>8.0</u>	<u>8.0</u>	DI#1
General Fund	N/A	N/A	433,373	422,649 A	0	
Cash Funds	N/A	N/A	93,811	91,490 A	91,490	
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	10,901	10,631 A	433,280	
Operating Expenses	N/A	N/A	<u>56,794</u>	<u>53,954</u>	<u>53,954</u>	
General Fund	N/A	N/A	56,794	53,954 A	53,954	
Cash Funds	N/A	N/A	0	0	0	
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	0	0	0	
(4) Other Statewide Special Purpose ^{a/}						
Test Facility Lease - General Fund	N/A	N/A	119,842	119,842	119,842	
Employment Security Contract Payment	N/A	N/A	<u>17,400</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	N/A	N/A	10,889	11,264	11,264	
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	6,511	6,736	6,736	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Employees Emeritus Retirement - General Fund	N/A	N/A	7,290	7,290	2,710	
SUBTOTAL - (B) Colorado Statewide Special Purpose			2,003,824	1,935,493	1,957,913	
FTE			<u>23.8</u>	<u>23.0</u>	<u>23.0</u>	
General Fund			1,095,613	1,073,115	187,770	
Cash Funds			93,811	91,490	91,490	
Cash Funds Exempt / Reappropriated Funds			814,400	770,888	1,678,653	

a/ These programs were moved to the new "Special Statewide Purpose" section for FY 2009-10. Prior to this, the appropriations were included in other sections of the Long Bill, primarily within the Executive Director's Office.

TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE	13,010,125	11,185,208	12,151,567	14,614,515	5,880,110	
FTE	<u>20.6</u>	<u>22.5</u>	<u>45.2</u>	<u>43.5</u>	<u>42.5</u>	
General Fund	5,125,150	3,832,076	3,666,457	6,350,386	788,124	
Cash Funds	142,589	15,766	385,651	558,491	361,157	
Cash Funds Exempt / Reappropriated Funds	7,742,386	7,337,366	8,099,459	7,705,638	4,730,829	

(2) DIVISION OF HUMAN RESOURCES

The Division of Human Resources maintains the integrity of the State Personnel System and manages the State Office of Risk Management.

(A) Human Resource Services

(1) State Agency Services

Personal Services	1,921,842	2,103,749	1,801,337	1,687,774	1,648,251	
FTE	<u>22.6</u>	<u>27.2</u>	<u>23.5</u> S	<u>20.2</u> A	<u>20.2</u>	
General Fund	0	129,564	0	0	0	DI#1
Cash Funds	0	0	46,784 S	0	0	
Cash Funds Exempt / Reappropriated Funds	1,921,842	1,974,185	1,754,553 S	1,687,774 A	1,648,251	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Operating Expenses - CFE / RF	<u>83,435</u>	<u>0</u>	<u>97,556</u>	<u>84,088</u>	<u>84,070</u>	
Cash Funds	0	0	15,621 S	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	81,935 S	84,088 A	84,070	
(2) Training Services						
Personal Services	<u>57,142</u>	<u>122,724</u>	<u>268,694</u>	<u>268,694</u>	<u>268,694</u>	
Cash Funds	25,444	55,625	146,572	146,572	146,572	
Cash Funds Exempt / Reappropriated Funds	31,698	67,099	122,122	122,122	122,122	
Operating Expenses	<u>16,191</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	16,191	0	0	0	0	
Indirect Cost Assessment - CFE / RF	35,034	0	0	4,605	4,605	
(3) Colorado State Employees Assistance Program^{a/}						
Personal Services - CFE / RF	298,474	604,789	0	0	n/a	
FTE	4.1	10.0	0.0	0.0		
Operating Expenses - CFE / RF	36,306	67,809	0	0	n/a	
Indirect Cost Assessment - CFE / RF	63,788	162,295	0	0	n/a	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(2) DIVISION OF HUMAN RESOURCES						
Subtotal - (A) Human Resource Services Section	2,512,212	3,061,366	2,167,587	2,045,161	2,005,620	
FTE	<u>26.7</u>	<u>37.2</u>	<u>23.5</u>	<u>20.2</u>	<u>20.2</u>	
General Fund	0	129,564	0	0	0	
Cash Funds	25,444	55,625	208,977	146,572	146,572	
Cash Funds Exempt / Reappropriated Funds	2,486,768	2,876,177	1,958,610	1,898,589	1,859,048	

a/ The Colorado State Employees Assistance Program was moved to the Executive Director's Office beginning in FY 2009-10.

(2) DIVISION OF HUMAN RESOURCES

(B) Employee Benefits Services

Personal Services	857,870	985,925	807,330	790,579	770,579	
FTE	<u>11.1</u>	<u>11.1</u>	<u>10.5</u> S	<u>10.0</u> A	<u>10.0</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	0	764,777 S	0 A	746,359	
Cash Funds Exempt / Reappropriated Funds	857,870	985,925	42,553 S	790,579 A	24,220	
Operating Expenses	<u>48,217</u>	<u>52,454</u>	<u>98,687</u>	<u>56,924</u>	<u>56,924</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	52,454	97,833 S	56,924 A	56,924	DI #2
Cash Funds Exempt / Reappropriated Funds	48,217	0	854	0	0	
Utilization Review	<u>40,000</u>	<u>29,320</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	
Cash Funds	0	29,320	40,000	0	40,000	
Cash Funds Exempt / Reappropriated Funds	40,000	0	0	40,000	0	
Deferred Compensation Plans - CFE / RF	84,475	84,500	84,500	0	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Deferred Compensation Administration (TPA) ^{a/}						
Cash Funds Exempt / Reappropriated Funds	681,999	692,205	682,000	0	0	
Defined Contribution Plans - CFE / RF ^{a/}	10,625	2,250	11,226	0	0	
Deferred Compensation Plan and Defined Contribution Plans						
Performance Audits - CFE / RF ^{a/}	123,750	0	0	0	0	
H.B. 07-1335 Pilot Disease Management Program						
Cash Funds Exempt / Reappropriated Funds	36,570	0	0	0	0	
H.B. 07-1335 Supplemental State Contribution Fund						
Cash Funds	0	1,541,666	1,599,114	1,599,114	1,469,800	
Indirect Cost Assessment - CFE / RF	98,315	210,609	314,180	250,261	250,261	
(2) DIVISION OF HUMAN RESOURCES						
Subtotal - (B) Employee Benefits Services	1,981,821	3,598,929	3,637,037	2,736,878	2,587,564	
FTE	<u>11.1</u>	<u>11.1</u>	<u>10.5</u>	<u>10.0</u>	<u>10.0</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	1,623,440	2,501,724	1,656,038	2,313,083	
Cash Funds Exempt / Reappropriated Funds	1,981,821	1,975,489	1,135,313	1,080,840	274,481	

a/ Senate Bill 09-066 transferred the administration of the State's defined contribution (DC) plan and the State's optional deferred compensation (457) plan to the Public Employees' Retirement Association (PERA), which also administers the State's defined benefit plan.

b/ This line item is funded with tobacco litigation dollars tobacco litigation settlement moneys transferred by the State Treasurer.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(2) DIVISION OF HUMAN RESOURCES						
(C) Risk Management Services						
Personal Services - CFE / RF	598,063	566,478	647,979 S	650,085 A	650,085	
FTE	8.2	0.0	9.0	9.0		
Operating Expenses - CFE / RF	56,866	52,222	57,095 S	57,130 A	57,130	
Legal Services - CFE / RF	2,687,622	2,325,709	2,401,607	2,401,607	<u>Pending</u>	
Liability Premiums	<u>4,951,379</u>	<u>6,435,247</u>	<u>10,087,116</u>	<u>8,518,917</u>	<u>Pending</u>	
Cash Funds	565,666	0	0	0		
Cash Funds Exempt / Reappropriated Funds	4,385,713	6,435,247	10,087,116	8,518,917		
Property Premiums	<u>9,047,174</u>	<u>7,997,934</u>	<u>11,038,314</u>	<u>10,706,245</u>	<u>Pending</u>	
Cash Funds	3,346,334	0	0	0		
Cash Funds Exempt / Reappropriated Funds	5,700,840	7,997,934	11,038,314	10,706,245		
Workers' Compensation Premiums	<u>34,115,340</u>	<u>36,202,854</u>	<u>44,409,630</u>	<u>43,347,417</u>	<u>Pending</u>	
Cash Funds	3,131,042	0	0	0		
Cash Funds Exempt / Reappropriated Funds	30,984,298	36,202,854	44,409,630	43,347,417		
Indirect Cost Assessment - CFE / RF	137,080	205,237	210,797	183,888	183,888	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
(2) DIVISION OF HUMAN RESOURCES						
Subtotal - (C) Risk Management Services	51,593,524	53,785,681	68,852,538	65,865,289	891,103	
FTE	<u>8.2</u>	<u>0.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>	
Cash Funds	7,043,042	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	44,550,482	53,785,681	68,852,538	65,865,289	891,103	
TOTAL - (2) DIVISION OF HUMAN RESOURCES						
FTE	<u>46.0</u>	<u>48.3</u>	<u>43.0</u>	<u>39.2</u>	<u>30.2</u>	
General Fund	0	129,564	0	0	0	
Cash Funds	7,068,486	1,679,065	2,710,701	1,802,610	2,459,655	
Cash Funds Exempt / Reappropriated Funds	49,019,071	58,637,347	71,946,461	68,844,718	3,024,632	
(3) CONSTITUTIONALLY INDEPENDENT ENTITIES						
(A) Personnel Board						
Personal Services	437,357	540,432	471,237	473,985	473,985	
FTE	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	227,902	83,487	470,078 S	472,819 A	0	
Cash Funds	1,196	1,196	1,159 S	1,166 A	1,166	
Cash Funds Exempt / Reappropriated Funds ^{a/}	208,259	455,749	0	0	472,819	
Operating Expenses	<u>27,155</u>	<u>22,199</u>	<u>32,771</u>	<u>19,511</u>	<u>19,478</u>	
General Fund	25,596	0	17,771 S	19,478 A	0	
Cash Funds Exempt / Reappropriated Funds ^{a/}	1,559	22,199	15,000 S	33 A	19,478	
Legal Services for 330 Hours - General Fund	0	0	24,875	24,875	<u>Pending</u>	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(3) CONSTITUTIONALLY INDEPENDENT ENTITIES						
Subtotal - (A) Personnel Board	464,512	562,631	528,883	518,371	493,463	
FTE	4.8	4.8	4.8	4.8	4.8	
General Fund	253,498	83,487	512,724	517,172	0	
Cash Funds	1,196	1,196	1,159	1,166	1,166	
Cash Funds Exempt / Reappropriated Funds	209,818	477,948	15,000	33	492,297	

a/ The fund source shifted to reappropriated funds because staff applied statewide indirect cost recoveries to supplant the General Fund in this line item.

(B) Independent Ethics Commission ^{a/}

Personal Services - General Fund	N/A	102,932	144,285	142,579	A	142,579
FTE	N/A	1.8	2.0	2.0		2.0
Operating Expenses - General Fund	N/A	21,723	16,639	15,807	A	15,807
Legal Services for 900 Hours - General Fund	N/A	107,661	67,842	67,842		Pending

(3) CONSTITUTIONALLY INDEPENDENT ENTITIES

Subtotal - (B) Independent Ethics Commission

General Fund	N/A	232,316	228,766	226,228		158,386
FTE	N/A	1.8	2.0	2.0		2.0

^{a/} The Independent Ethics Commission was separated in the Long Bill as part of the reorganization for FY 2009-10. Prior to this, the appropriations were reflected in the Office of the Administrative Courts. The FY 2008-09 appropriation is listed for informational purposes only and does not add to the total for the Department.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
TOTAL - (3) CONSTITUTIONALLY INDEPENDENT ENTITIES	464,512	794,947	757,649	744,599	651,849	
FTE	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	253,498	315,803	741,490	743,400	158,386	
Cash Funds	1,196	1,196	1,159	1,166	1,166	
Cash Funds Exempt / Reappropriated Funds	209,818	477,948	15,000	33	492,297	

(4) CENTRAL SERVICES

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

(A) Administration

Personal Services - CFE / RF	695,490	682,312	751,883	751,883	751,883	
FTE	10.2	8.7	10.0	10.0	10.0	
Operating Expenses	75,851	67,400	77,427	77,427	77,427	
Indirect Cost Assessment	84,219	52,406	100,300	139,025	139,025	

(4) CENTRAL SERVICES

Subtotal - (A) Administration	855,560	802,118	929,610	968,335	968,335	
FTE	<u>10.2</u>	<u>8.7</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	
Cash Funds	41,206	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	814,354	802,118	929,610	968,335	968,335	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(B) Integrated Document Factory Solutions						
(1) Reprographic Services^{a/}						
Personal Services	1,137,877	979,751	1,878,146	1,900,447	1,959,017	
FTE	<u>21.8</u>	<u>19.5</u>	<u>20.6</u>	<u>20.6</u>	<u>20.6</u>	
Cash Funds	305,456	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	832,421	979,751	1,878,146	1,900,447	1,959,017	
Operating Expenses - CFE / RF	3,046,647	2,907,820	4,877,541	4,877,541	5,275,909	
Indirect Cost Assessment - CFE / RF	232,704	169,705	147,901	214,955	214,955	
(4) CENTRAL SERVICES						
Subtotal - (B) Integrated Document Factory Solutions (1) Reprographics Services						
	4,417,228	4,057,276	6,903,588	6,992,943	7,449,881	
FTE	<u>21.8</u>	<u>19.5</u>	<u>20.6</u>	<u>20.6</u>	<u>20.6</u>	
Cash Funds	305,456	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	4,111,772	4,057,276	6,903,588	6,992,943	7,449,881	
a/ The reappropriated funds source is the Department of Personnel Revolving Fund, created in Section 24-30-1108 (1), C.R.S.						
(2) Document Solutions Group						
Personal Services	2,921,858	2,771,770	4,716,659	4,379,110	4,494,483	
FTE	<u>54.2</u>	<u>58.7</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	
Cash Funds	35,917	139,406	43,336	43,336	42,899	
Cash Funds Exempt / Reappropriated Funds	2,885,941	2,632,364	4,673,323	4,335,774	4,451,584	
Operating Expenses	404,846	419,425	1,149,463	1,149,463	1,195,620	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Utilities	39,635	43,912	69,000	69,000	69,000	
Indirect Cost Assessment	169,477	136,708	173,089	261,123	261,123	
(4) CENTRAL SERVICES						
Subtotal - (B) Integrated Document Factory-						
Solutions (2) Document Solutions Group	3,535,816	3,371,815	6,108,211	5,858,696	6,020,226	
FTE	<u>54.2</u>	<u>58.7</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	
Cash Funds	35,917	139,406	43,336	43,336	42,899	
Cash Funds Exempt / Reappropriated Funds	3,499,899	3,232,409	6,064,875	5,815,360	5,977,327	
(3) Mail Services						
Personal Services	1,225,914	1,746,913	2,955,765	2,944,184 A	3,211,639	
FTE	39.5	44.5	42.8	42.8	42.8	
Operating Expenses	7,657,809	8,118,292	13,699,472 S	13,700,978 A	14,519,620	
MAIL EQUIPMENT PURCHASE (New Line Item)			<u>139,018</u>	<u>333,642</u>	<u>333,642</u>	
General Fund			50,206 S	156,018 A	156,018	
Reappropriated Fund			88,812 S	177,624 A	177,624	
Indirect Cost Assessment	276,199	237,215	165,998	252,286	252,286	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(4) CENTRAL SERVICES						
Subtotal - (B) Integrated Document Factory Solutions	9,159,922	10,102,420	16,960,253	17,231,090	18,317,187	
FTE	<u>39.5</u>	<u>44.5</u>	<u>42.8</u>	<u>42.8</u>	<u>42.8</u>	
General Fund	0	0	50,206	156,018	156,018	
Cash Funds	697,515	139,406	0	0	0	
Cash Funds Exempt / Reappropriated Funds	8,462,407	9,963,014	16,910,047	17,075,072	18,161,169	

(4) CENTRAL SERVICES						
Subtotal - (B) Integrated Document Factory Solutions	17,112,966	17,531,511	29,972,052	30,082,729	31,787,294	
FTE	<u>115.5</u>	<u>122.7</u>	<u>113.6</u>	<u>113.6</u>	<u>113.6</u>	
General Fund	0	0	50,206	156,018	156,018	
Cash Funds	1,038,888	278,812	43,336	43,336	42,899	
Cash Funds Exempt / Reappropriated Funds	16,074,078	17,252,699	29,878,510	29,883,375	31,588,377	

(4) CENTRAL SERVICES

(C) Fleet Management and Motor Pool Services

Personal Services	812,043	829,514	844,391	749,018	728,512	OIT
FTE	15.7	14.0	14.0	14.0	14.0	Consolidation
Operating Expenses	22,115,418	19,731,929	24,127,500	24,127,500	24,131,346	
Vehicle Replacement Lease, Purchase - CFE / RF	13,170,783	11,880,388	13,984,778	16,597,085	Pending	DI #3, NP#1,#2,#3
Indirect Cost Assessment	430,448	302,858	453,493	641,731	641,731	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(4) CENTRAL SERVICES						
Subtotal - (C) Fleet Management and Motor Pool Serv	36,528,692	32,744,689	39,410,162	42,115,334	25,501,589	
FTE	<u>15.7</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	
Cash Funds	1,948,015	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	34,580,677	32,744,689	39,410,162	42,115,334	25,501,589	

(4) CENTRAL SERVICES

(D) Facilities Maintenance^{a/}

<i>Personal Services (NEW LINE ITEM) RF^{b/}</i>	n/a	n/a	n/a	n/a	2,808,102	
FTE	n/a	n/a	n/a	n/a	55.2	
<i>Operating Expenses (NEW LINE ITEM) -RF^{b/}</i>	n/a	n/a	n/a	n/a	1,884,034	
<i>Utilities (NEW LINE ITEM) - RF^{b/}</i>	n/a	n/a	n/a	n/a	4,039,706	
(1) Capitol Complex Facilities						
Personal Services	2,601,617	2,667,071	2,695,992	2,745,896	2,682,558	
FTE	51.9	50.8	53.2	53.2	53.2	
Operating Expenses	1,624,799	1,720,890	1,951,376	1,794,483	1,703,575	
Capitol Complex Repairs	55,520	56,509	56,520	56,520	56,520	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Capitol Complex Security	289,484	304,163	323,000	323,000	323,000	
Fallen Heroes Memorials Construction Fund -Cash Fund	<u>0</u>	<u>0</u>	24,069	24,069	0	
FTE	0.0	0.0	0.3	0.3	0.0	
Utilities	3,718,038	3,305,846	3,732,802	3,732,802	3,517,802	
Indirect Cost Assessment	377,456	273,929	435,060	525,058	525,058	

(4) CENTRAL SERVICES						
Subtotal - (D) Facilities Maintenance (1) Capitol Complex Facilities						
Complex Facilities	8,666,914	8,328,408	9,218,819	9,201,828	8,808,513	
FTE	<u>51.9</u>	<u>50.8</u>	<u>53.5</u>	<u>53.5</u>	<u>53.2</u>	
Cash Funds	0	0	24,069	24,069	0	
Cash Funds Exempt / Reappropriated Funds	8,666,914	8,328,408	9,194,750	9,177,759	8,808,513	

a/ The reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund, created in Section 24-30-1108 (1), C.R.S.

b/ Staff recommends consolidating each of the Personal Services, Operating Expenses, and Utilities line items within (D) Facilities Maintenance, subsections (1), (2), and (3). For FY 2010-11, these numbers are included for informational purposes only and *are not included in the Division or Department total*. Staff included them so the Committee may see the size of each line item after it has been consolidated.

(2) Grand Junction State Services Building^{a/}

Personal Services	45,335	47,002	48,459	48,459	47,242	
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	5,130	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	40,205	47,002	48,459	48,459 A	47,242	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Operating Expenses - CFE / RF	75,994	76,001	76,873 S	76,873 A	76,873	
Utilities - CFE / RF	87,554	81,181	87,554	87,554	87,554	
(4) CENTRAL SERVICES						
Subtotal - (D) Facilities Maintenance (2) Grand						
Junction State Services Building	208,883	204,184	212,886	212,886	211,669	
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	5,130	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	203,753	204,184	212,886	212,886	211,669	

a/ The reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund, created in Section 24-30-1108 (1), C.R.S.

(3) Camp George West^{a/}

Personal Services	64,564	66,232	79,641	59,786	78,302	
FTE	<u>1.2</u>	<u>1.4</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	48,950	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	15,614	66,232	79,641	59,786 A	78,302	
Operating Expenses - CFE / RF	121,815	121,049	147,773 S	122,102	103,586	
Utilities - CFE / RF	386,449	392,730	434,350	434,350	434,350	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(4) CENTRAL SERVICES						
Subtotal - (D) Facilities Maintenance (3) Camp						
George West	572,828	580,011	661,764	616,238	616,238	
FTE	<u>1.2</u>	<u>1.4</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
Cash Funds	48,950	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	523,878	580,011	661,764	616,238	616,238	

a/ The reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund, created in Section 24-30-1108 (1), C.R.S.

(4) CENTRAL SERVICES						
Subtotal - (D) Facilities Maintenance	9,448,625	9,112,603	10,093,469	10,030,952	9,636,420	
FTE	<u>54.1</u>	<u>53.2</u>	<u>55.5</u>	<u>55.5</u>	<u>55.2</u>	
Cash Funds	54,080	0	24,069	24,069	0	
Cash Funds Exempt / Reappropriated Funds	9,394,545	9,112,603	10,069,400	10,006,883	9,636,420	

TOTAL - (4) CENTRAL SERVICES	63,945,843	60,190,921	80,405,293	83,197,350	67,893,638	
FTE	<u>195.5</u>	<u>198.6</u>	<u>193.1</u>	<u>193.1</u>	<u>192.8</u>	
General Fund	0	0	50,206	156,018	156,018	
Cash Funds	3,082,189	278,812	67,405	67,405	42,899	
Cash Funds Exempt / Reappropriated Funds	60,863,654	59,912,109	80,287,682	82,973,927	67,694,721	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
--	----------------------	----------------------	----------------------	-----------------------	-----------------------	--------------------

(5) FINANCE AND PROCUREMENT ^{a/}

(A) State Controller's Office and Procurement Services

Personal Services	3,000,053	2,883,675	0	0		
FTE	<u>38.3</u>	<u>36.5</u>	N/A	N/A		
General Fund	1,144,835	599,191	N/A	N/A		
Cash Funds	0	1,977,243	N/A	N/A		
Cash Funds Exempt / Reappropriated Funds	1,855,218	307,241	N/A	N/A		
Operating Expenses	<u>143,584</u>	<u>135,018</u>	<u>0</u>	<u>0</u>		
General Fund	143,584	128,028	N/A	N/A		
Cash Funds	0	0	N/A	N/A		
Cash Funds Exempt / Reappropriated Funds	0	6,990	N/A	N/A		

(5) FINANCE AND PROCUREMENT

Procurement Services	3,143,637	3,018,693	0	0		
FTE	<u>38.3</u>	<u>36.5</u>	<u>0.0</u>	<u>0.0</u>		
General Fund	1,288,419	727,219	0	0		
Cash Funds	0	1,977,243	0	0		
Cash Funds Exempt / Reappropriated Funds	1,855,218	314,231	0	0		

(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.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(A) Office of the State Controller						
Personal Services ^{a/}			2,957,034	2,454,819	2,454,819	
FTE			<u>29.5</u>	<u>33.0</u> A	<u>33.0</u>	
General Fund			716,701	742,675 A	742,675	DI#1, DI#3
Cash Funds			1,883,042	1,089,800 A	1,188,757	
Cash Funds Exempt / Reappropriated Funds			357,291	622,344 A	523,387	
Operating Expenses ^{a/}			<u>258,934</u>	<u>109,956</u>	<u>109,956</u>	
General Fund			65,932 S	109,956 A	109,956	
Cash Funds			193,002 S	0 A	0	
SUBTOTAL - (A) Office of the State Controller			3,215,968	2,564,775	2,564,775	
FTE			<u>29.5</u>	<u>33.0</u>	<u>33.0</u>	
General Fund			782,633	852,631	852,631	
Cash Funds			2,076,044	1,089,800	1,188,757	
Cash Funds Exempt / Reappropriated Funds			357,291	622,344	523,387	

^{a/} Prior to FY 2009-10, this program was a part of the Division of Finance and Procurement, State Controller's Office and Procurement Services.

(B) State Purchasing Office ^{a/}

Manages statewide procurement with the following duties: (1) promulgation of the State's procurement rules; (2) administers the vendor BIDS system; (3) operates the electronic vendor notification system; (4) educates departments on procurement policies; (5) procures and administers statewide price agreements; (6) conducts procurement services for non-delegated agencies; and (6) serves as the appeals authority for bids protests.

Personal Services - Cash Funds	N/A		1,590,937 S	818,040 A	794,393	
FTE	N/A		13.0 S	13.0 A	13.0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
Operating Expenses - Cash Funds	N/A		277,000 S	277,000 A	277,000	
SUBTOTAL - (B) State Purchasing Office - CF	N/A	0	1,867,937	1,095,040	1,071,393	
FTE	N/A	0.0	13.0	13.0	13.0	

^{a/} Prior to FY 2009-10, this program resided within the Division of Finance and Procurement, State Controller's Office. It was separated as a part of the Department's FY 2009-10 Long Bill reorganization.

(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER

(C) Supplier Database

Primarily supports business operational and database needs of the State Purchasing Office.

Personal Services - Cash Funds	182,337	217,323	259,517	240,573 A	240,573	
FTE	2.9	2.4	3.0	4.0	4.0	
Operating Expenses - Cash Funds	31,053	42,114	1,904,560	1,150,510	1,150,510	OIT Consolidation

(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER

Subtotal - (C) Supplier Database - Cash Funds

	213,390	259,437	2,164,077	1,391,083	1,391,083	
--	---------	---------	-----------	-----------	-----------	--

FTE	2.9	2.4	3.0	4.0	4.0	
-----	-----	-----	-----	-----	-----	--

(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER

(D) Collections Services

Serves as a central accounts receivable function and collects debts owed to State agencies; departments and institutions after initial collections efforts have been unsuccessful.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Personal Services	874,776	894,142	921,902	916,562	916,562	
FTE	<u>15.2</u>	<u>19.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	
Cash Funds	874,776	596,612	612,272	916,562 A	916,562	
Cash Funds Exempt / Reappropriated Funds	0	297,530	309,630	0	0	
Operating Expenses - CF	333,863	333,398	349,085	349,085	349,085	
Collection of Debts Due to the State - CF	0	20,702	20,702	20,702	20,702	
Private Collection Agency Fees	<u>754,911</u>	<u>671,148</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	
Cash Funds	754,911	378,111	378,111	1,200,000	1,200,000	
Cash Funds Exempt / Reappropriated Funds	0	293,037	821,889	0	0	
Indirect Cost Assessment	<u>208,569</u>	<u>260,606</u>	<u>172,066</u>	<u>342,534</u>	<u>342,534</u>	
Cash Funds	0	0	0	342,534	0	
Cash Funds Exempt / Reappropriated Funds	208,569	260,606	172,066	0	342,534	
(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER						
Subtotal - (D) Collections Services	2,172,119	2,179,996	2,663,755	2,828,883	2,828,883	
FTE	<u>15.2</u>	<u>19.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	
Cash Funds	900,439	1,328,823	1,360,170	2,828,883	2,486,349	
Cash Funds Exempt / Reappropriated Funds	1,271,680	851,173	1,303,585	0	342,534	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(5) FINANCE AND PROCUREMENT^{a/}						
(D) Real Estate Services Program						
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review	514,170	511,731	0	0		
FTE	<u>5.6</u>	<u>5.9</u>	N/A	N/A		
General Fund	514,170	511,731	N/A	N/A		
Cash Funds	0	0	N/A	N/A		
Cash Funds Exempt / Reappropriated Funds	0	0	N/A	N/A		
(5) FINANCE AND PROCUREMENT						
Subtotal -- (D) Real Estate Services Program	514,170	511,731	0	0		
FTE	<u>5.6</u>	<u>5.9</u>	<u>0.0</u>	<u>0.0</u>		
General Fund	514,170	511,731	0	0		
Cash Funds	0	0	0	0		
Cash Funds Exempt / Reappropriated Funds	0	0	0	0		
TOTAL - (5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER						
FTE	<u>62.0</u>	<u>63.8</u>	<u>65.5</u>	<u>70.0</u>	<u>7,856,134</u>	
General Fund	1,802,589	1,238,950	782,633	852,631	852,631	
Cash Funds	1,113,829	3,565,503	7,468,228	6,404,806	6,137,582	
Cash Funds Exempt / Reappropriated Funds	3,126,898	1,165,404	1,660,876	622,344	865,921	

a/ This division was incorporated as part of the Division of Accounts and Control - Controller as part of the FY 2009-10 Long Bill reorganization.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11 Request	FY 2010-11 Recomm.	Change Requests
(6) INFORMATION AND ARCHIVAL SERVICES ^{a/}						
Personal Services	485,687	508,124	N/A	N/A		
FTE	8.0	8.5	N/A	N/A		
General Fund	362,965	403,412	N/A	N/A		
Cash Funds	78,669	93,811	N/A	N/A		
Cash Funds Exempt / Reappropriated Funds	44,053	10,901	N/A	N/A		
Operating Expenses	56,794	56,794	N/A	N/A		
General Fund	56,794	56,794	N/A	N/A		
Cash Funds	0	0	N/A	N/A		
Cash Funds Exempt / Reappropriated Funds	0	0	N/A	N/A		
TOTAL -- (6) INFORMATION AND ARCHIVAL SERVICES ^{a/}	542,481	564,918				
FTE	8.0	8.5				
General Fund	419,759	460,206				
Cash Funds	78,669	93,811				
Cash Funds Exempt / Reappropriated Funds	44,053	10,901				

^{a/} Please Note: Beginning with FY 2009-10, this program moved to the Executive Director's Office.

(6) ADMINISTRATIVE COURTS

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

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Personal Services	3,008,208	3,113,366	3,232,317	3,239,501	3,155,701	
FTE	<u>36.5</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	
General Fund	0	72,083	0	0	0	
Cash Funds	28,546	28,546	28,027	27,261 A	27,261	
Cash Funds Exempt / Reappropriated Funds	2,979,662	3,012,737	3,204,290	3,212,240 A	3,128,440	
Operating Expenses	<u>153,021</u>	<u>174,132</u>	<u>140,892</u>	<u>134,597</u>	<u>134,597</u>	
General Fund	0	21,445	0	0	0	
Cash Funds Exempt / Reappropriated Funds	153,021	152,687	140,892	134,597	134,597	
Indirect Cost Assessment - CFE / RF	215,330	239,271	341,313	258,320	258,230	
TOTAL - (6) ADMINISTRATIVE COURTS	3,376,559	3,526,769	3,714,522	3,632,418	3,548,528	
FTE	<u>36.5</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	
General Fund	0	93,528	0	0	0	
Cash Funds	28,546	28,546	28,027	27,261	27,261	
Cash Funds Exempt / Reappropriated Funds	3,348,013	3,404,695	3,686,495	3,605,157	3,521,267	
TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION	179,831,845	144,835,677	181,547,724	180,559,973	91,158,528	
FTE	<u>535.1</u>	<u>386.5</u>	<u>391.6</u>	<u>390.6</u>	<u>380.3</u>	
General Fund	10,764,753	7,564,565	5,190,580	7,946,417	1,799,141	
Cash Funds	13,955,556	5,662,699	10,661,171	8,861,739	9,029,720	
Cash Funds Exempt / Reappropriated Funds	154,927,971	131,608,413	165,695,973	163,751,817	80,329,667	
Federal Funds	183,565	0	0	0	0	

DEPARTMENT OF PERSONNEL AND ADMINISTRATION
JBC WORKING DOCUMENT - ALL DECISIONS SUBJECT TO CHANGE
Staff Recommendation Does Not Reflect Committee Decision

<i>Summary of Significant Staff Recommendations in this Packet</i>					
Item	Total	General Fund	Cash Funds	Reapprop. Funds	FTE
Major Recommendations, FY 2009-10					
Spending authority, federal reimbursement for FY 2008-09 cash fund transfer	\$48,949	\$0	\$0	\$48,949	0.0
Technical correction, ARRA fund split	0	(46,784)	46,784	0	0.0
Technical correction, ARRA footnote	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total Major Recommendations, FY 2009-10	\$48,949	(\$46,784)	\$46,784	\$48,949	0.0
Major Recommendations, FY 2010-11					
	0				
Restore furlough adjustment	360,205	(8,241)	79,808	288,638	0.0
Funds for federal reimbursement for procurement card program signing bonus	250,000	0	250,000	0	0.0
Restore 1.82% personal services reduction	234,722	44,059	16,775	173,888	0.0
Supplemental / budget amendment #12, mail equipment upgrade	197,335	105,812	108	91,415	0.0
Decision Item #3 - vehicle fleet replacements	33,461	0	0	33,461	0.0
OIT statewide consolidation	28,173	0	(6,978)	35,151	0.0
Annualize American Recovery and Reinvestment Act (ARRA) administrative cost allocation spending authority	(1,850,842)	262,765	(2,207,103)	93,496	0.0
Annualize S.B. 09-099, Procurement Supplier Database	(701,888)	0	(701,888)	0	0.0
Reduce employer's PERA contribution (2.5%)	(580,241)	(61,811)	(54,262)	(464,168)	0.0
Annualize FY 2009-10 supplementals, eliminated positions	(183,340)	(183,340)	0	0	(2.5)
Annualize S.B. 09-066, PERA merger	(44,837)	0	(44,837)	0	0.0
Decision Item #2 - Reduce Division of Human Resources Operating Expenses line item	(41,434)	0	(41,434)	0	0.0
Eliminate Fallen Heroes line item appropriation due to lack of funds	(24,069)	(24,069)	0	0	(0.3)
Budget Amendment #3 - Reduce general operating expenses by 5.0 percent	(21,082)	(21,082)	0	0	0.0

Summary of Significant Staff Recommendations in this Packet

Item	Total	General Fund	Cash Funds	Reapprop. Funds	FTE
Annualize staffing adjustment for administrative courts	(5,228)	0	0	(5,228)	0.0
Consolidate Division of Central Services, Facilities Maintenance line items	0	0	0	0	0.0
Transfer \$140,000 from Capitol Complex Utilities line item to Operating line item	0	0	0	0	0.0
FTE reallocation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<i>Total Major Recommendations, FY 2010-11</i>	(\$2,349,065)	\$114,093	(\$2,709,811)	\$246,653	(2.8)

(1) EXECUTIVE DIRECTOR'S OFFICE

This division provides the following functions: (1) provides policy direction; (2) manages the Department's fiscal and budgetary affairs; (3) reviews contracts; (4) investigates and resolves appeals made to the State Personnel Director; and (5) promotes statewide affirmative action and equal opportunity programs.

Funding: The Executive Director's Office receives its funding from indirect costs that are earned in other divisions as set forth by the Statewide Indirect Cost Allocation Plan. The statewide indirect cost recovery allows the State to collect dollars from federally-funded and cash-funded programs to offset the State's costs for providing certain services for which programs are not directly billed. For example, the Department manages the state personnel system, and the State incurs a cost for providing this service to programs supported by cash and federal funds. The indirect cost recoveries are used to offset General Fund in the Department's budget.

Department of Personnel and Administration Indirect Cost Recoveries by Program				
Program	FY 2009-10	FY 2010-11	Difference	Percentage
C-SEAP	\$112,816	\$83,237	(\$29,579)	(26.2)%
Employee Benefits	314,180	269,623	(44,557)	(14.2)%
Risk Management	210,797	183,888	(26,909)	(12.8)%
Central Services - Administration	248,201	139,025	(109,176)	(44.0)%
Central Services - Fleet Management	453,493	641,731	188,238	41.5%
Central Services - Capitol Buildings	435,060	525,058	89,998	20.7%
Central Services - Document Solutions	173,089	261,123	88,034	50.9%
Central Services - Mail Messenger	165,998	252,286	86,288	52.0%
Finance & Procurement - Collections	172,066	342,534	170,468	99.1%
Administrative Courts	<u>341,313</u>	<u>258,320</u>	<u>(82,993)</u>	<u>(24.3)%</u>
TOTAL	\$2,627,013	\$2,956,825	\$329,812	12.6%

The table on the following page summarizes how the statewide indirect cost recoveries are allocated throughout the Department for FY 2010-11.

FY 2010-11 Recommendation: Allocated Indirect Cost Recoveries	
Division and Line Item	Funds Applied
(1) Executive Director's Office, (A) Department Administration, Personal Services	\$1,674,443
(1) Executive Director's Office, (A) Department Administration, Operating Expenses	95,440
(1) Executive Director's Office, (B) Statewide Special Purpose, (2) Office of the State Architect	458,116
(1) Executive Director's Office, (B) Statewide Special Purpose, (3) Colorado State Archives	422,649
(2) Division of Human Resources, (A) Human Resource Services, (1) State Agency Services, Personal Services	<u>306,177</u>
Total Allocated	\$2,956,825

Most departments apply their indirect cost recoveries to offset General Fund within their own budget. However, certain departments such as the Department of Labor and Employment, the Department of State, and the Department of Transportation do not have General Fund against which to apply their indirect cost recoveries. These departments transfer the moneys to the Department of Personnel and Administration (DPA), which then uses the funds to offset General Fund. The following table indicates the amount of additional indirect cost recoveries that DPA anticipates it will receive from other departments.

FY 2010-11 Indirect Cost Recoveries from Other Departments	
	Amount
Department of Labor and Employment	\$525,190
Department of State	148,002
Department of Transportation	<u>1,768,636</u>
Total	\$2,441,828

FY 2010-11 Allocation of Indirect Cost Recoveries from Other Departments	
Line Item	Applied
(2) Division of Human Resources, (A) Human Resource Services, (1) State Agency Services, Personal Services	\$1,342,074
(2) Division of Human Resources, (A) Human Resource Services, (1) State Agency Services, Operating Expenses	84,070
(3) Constitutionally Independent Entities, (A) Personnel Board, Personal Services	472,819
(3) Constitutionally Independent Entities, (A) Personnel Board, Operating Expenses	19,478
(5) Division of Accounts and Control - Controller, (A) Office of the State Controller, Personal Services	<u>523,387</u>
Total	\$2,441,828

Executive Director's Office: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
<i>(A) Department Administration</i>				
Executive Director	1.0	1.0	1.0	1.0
Deputy Director	1.0	1.0	1.0	1.0
General Professional / Management	8.1	7.5	6.5	6.5
Accounting / Budget	8.2	8.5	8.0	8.0
Support / Clerical	3.0	3.0	3.0	3.0
HIPAA-Security Remediation - (Gen. Prof.)	<u>1.0</u>	<u>0.4</u>	<u>0.0</u>	<u>0.0</u>
<i>Total - (A) Department Administration</i>	<i>22.3</i>	<i>21.4</i>	<i>19.5</i>	<i>19.5</i>
<i>(B) Special Purpose</i>				
<i>(1) Colorado State Employees Assistance Program</i>				
Support / Clerical	1.9	2.0	2.0	2.0
General Professional / Management	5.4	8.0	8.0	8.0
<i>(2) Office of the State Architect</i>				
General Professional / Manager	2.9	3.0	3.0	3.0
Architect / Engineer	2.0	2.0	2.0	2.0
Support / Clerical	1.0	0.3	0.0	0.0
<i>(3) Colorado State Archives</i>				
General Professional	3.0	3.5	3.0	3.0
Archivist	3.9	4.0	4.0	4.0
Support / Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<i>Total - (B) Special Purpose</i>	<i>21.1</i>	<i>23.8</i>	<i>23.0</i>	<i>23.0</i>
Total - Executive Director's Office	43.4	45.2	42.5	42.5

Decision Item #1 - FTE Reallocation to Office of the State Controller

Department Request: The Department requests to transfer a total of 3.5 FTE and \$62,648 from the Executive Director's Office and the Division of Human Resources to the Office of the State Controller. The request is budget neutral, and will help the Department to better manage its Personal Services appropriations and to more accurately reflect the actual FTE utilization within the Department.

Staff Recommendation: Staff recommends the Department's request to transfer a total of 3.5 FTE and \$62,648 (statewide indirect cost recoveries) to the Office of the State Controller. The recommended transfers are reflected in the following table.

Staff Analysis: The Department's personal services needs have changed in recent years as certain human resource functions transferred from the Division of Human Resources to the Office of the State Controller. Additionally, changes in staffing patterns have led to a disconnect between FTE authority and available funds within certain divisions. The requested FTE reallocation will better reflect the Department's actual workload and more accurately appropriate resources to each division.

Decision Item #1: FTE Reallocation		
Division and Line Item	Funds	FTE
Executive Director's Office		
(A) Department Administration, Personal Services	\$0	(1.0)
(B) Statewide Special Purpose, (3) Colorado State Archives, Personal Services	0	(0.5)
Division of Human Resources		
(A) Human Resource Services, (1) State Agency Services, Personal Services	(62,648)	(2.0)
Division of Accounts and Control - Controller		
(A) Office of the State Controller, Personal Services	<u>62,648</u>	<u>3.5</u>
Total Fiscal Impact	\$0	0.0

Personal Services

The Department requests an appropriation of \$1,674,443 reappropriated funds (statewide indirect cost recoveries) and 19.5 FTE. **Staff recommends an appropriation of \$1,674,443 reappropriated funds and 19.5 FTE for FY 2010-11.** Staff's calculations are outlined in the following table. The fund source is statewide indirect cost recoveries.

FY 2010-11 Recommendation: Personal Services				
Item	Total	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$1,787,604	\$0	\$1,787,604	21.5
Supp/NP- ARRA funds	85,753	147,005	(61,252)	0.0
Supp. #2 - Eliminate PR position	(53,359)	0	(53,359)	(0.5)
Furlough adjustment	<u>(32,236)</u>	<u>0</u>	<u>(32,236)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$1,787,762	\$147,005	\$1,640,757	21.0
Reinstate 1.82% personal services	32,279	0	32,279	0.0
Reinstate furlough adjustment	32,236	0	32,236	0.0
Annualize ARRA funds	(85,753)	(147,005)	61,252	0.0
2.5% PERA adjustment	(49,356)	0	(49,356)	0.0
Annualize supp. #2	(42,725)	0	(42,725)	(0.5)
Decision Item #1 - FTE reallocation	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1.0)</u>
FY 2010-11 Recommendation	\$1,674,443	\$0	\$1,674,443	19.5

Health, Life, and Dental

Pursuant to Section 24-50-609 (2) (b) (I), C.R.S., the State provides for contributions to employee health, life, and dental insurance premiums. Appropriations for these purposes are consolidated into a single line item, "Health, Life, and Dental", in each Executive Director's Office. The single line item appropriation gives a department the flexibility to absorb shifts in enrollment amongst its employees. The Department requests

The Department's request as submitted on November 6th was for \$2,033,402 (\$540,438 General Fund, \$194,301 cash funds, \$1,298,663 reappropriated funds). Recent Committee action requires staff to recalculate this line item on a statewide basis, and therefore **staff recommendation is pending Committee approval** of new statewide rates. However, regardless of the final dollar amount, **staff does not recommend the fund split ratio** because it places a disproportionate impact on the General Fund.

Staff concerns about fund splits for common policy line items:

- ❑ Staff's understanding from communications with the Department is that it requests General Fund for POTS to fund those divisions that receive statewide indirect cost recoveries. Staff notes that General Fund allows the Department maximum flexibility to allocate the funds amongst its divisions.
- ❑ The Department is underutilizing certain cash funds for which statute permits to be appropriated for this purpose. **Staff identified several cash fund and reappropriated fund sources that the General Assembly may use to fund the Department's POTS expenditures instead of General Fund.** Examples include:

Group Benefit Plans Reserve Fund: Pursuant to Section 24-50-613 (4), C.R.S., "The state's cost of administering group benefit plans, other than the costs provided for in subsection (2) of this section, is subject to annual appropriation by the general assembly based on the submission by the director of a budget request containing detailed information on current and projected administrative costs, which include, but are not limited to, personal services, operating expenses, travel expenses, utilization review, and implementation of a flexible benefits plan."

Administrative Courts Cash Fund: Pursuant to Section 24-30-1001 (3), C.R.S., the Executive Director of the Department of Personnel and Administration shall establish any fees or cost allocation billing process necessary to pay for the direct and indirect costs of the office of administrative courts.

Debt Collections Fund: Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the Debt Collections Fund supports at least 20.0 FTE in the Office of the State Controller, Collections Services division in the controller's office.

Staff will present the Committee with recommended fund splits once it has approved the total Health, Life, and Dental appropriation.

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. The Committee approved a short-term disability rate of 0.155 percent for FY 2010-11. The amount is calculated on the combined base continuation salaries, salary survey, performance-based pay, and shift differential.

The Department requests a total appropriation of \$31,283 for FY 2010-11 (\$9,236 General Fund, \$4,029 cash funds, and \$18,018 reappropriated funds). **Staff recommends a total appropriation**

of \$30,464 for FY 2010-11, with the fund splits of \$5,346 General Fund, \$8,789 cash funds, and \$16,329 reappropriated funds.

S.B. 04-257 Amortization Equalization Disbursement (AED)

Pursuant to Section 24-51-411 (3.2), C.R.S., this line item provides additional funds to increase the employer's contribution for the Public Employee Retirement Association (PERA). The funds are calculated based on a percentage that increases by 0.4 percent each calendar year through 2012, when the percentage reaches the maximum amount of 3.0 percent. Pursuant to Committee common policy, staff recommends calculating the AED at 2.2 percent for calendar year 2010, and at 2.6 percent for calendar year 2011. In order to account for the pay-date shift, the Committee approved a common policy to calculate the General Fund portion of the appropriation as seven months for the calendar year 2010 percentage, and five months at the 2011 rate (2.6 percent). All other fund sources should be calculated as six months each for calendar year 2010 and six months for calendar year 2011.

The Department requests a total appropriation of \$484,385, including \$143,005 General Fund, \$62,391 cash funds, and \$278,989 reappropriated funds. **Staff recommends an appropriation of \$471,705 for FY 2010-11, comprised of \$93,478 General Fund, \$99,238 cash funds, and \$278,989 reappropriated funds.** The difference between the department's request and staff's recommendation is because staff disagrees with the Department's proposed fund splits.

S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED)

Pursuant to Section 24-51-411 (3.2), C.R.S., this line item provides additional funds for the Public Employee Retirement Association. The SAED is calculated based on a percentage that increases by on 0.5 percent annually through 2013, when it will cap at 3.0 percent. According to statute, this appropriation is to be funded from money otherwise available for use but not yet awarded as salary increases. Although the Committee's common policy was to forgo salary increases for FY 2010-11, it did approve funding this line item, using the same fund sources and fund splits as for prior years.

The Department requests an appropriation of \$353,197 (\$104,275 General Fund, \$45,493 cash funds, and \$203,429 reappropriated funds). Staff calculated the SAED appropriation according to Committee common policy, and **recommends a total appropriation of \$348,952.** Furthermore, **staff does not recommend the Department's requested fund splits** because they place a disproportionate burden on the General Fund. **Instead, staff recommends fund splits of \$87,232 General Fund, \$77,362 cash funds, and \$184,358 reappropriated funds.**

Salary Survey and Senior Executive Service

This line item funds annual increases for salary survey and senior executive service (SES) positions. Pursuant to statewide common policy, the Department did not request, and the Committee did not approve, any salary survey for FY 2010-11. **Staff recommends \$0 for salary survey for FY 2010-11.**

Performance-Based Pay Awards

The Department did not request, and the Committee did not approve, funding performance-based

pay for FY 2010-11. **Staff recommends \$0 for performance-based pay awards for FY 2010-11.**

Shift Differential

This line item funds additional pay for employees who work outside 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 often requires work to be performed in the evenings and on weekends. The Department requests an appropriation of \$31,301 (\$2,427 cash funds and \$28,874 reappropriated funds) for FY 2010-11. **Staff recommends an appropriation of \$30,600 reappropriated funds for FY 2010-11.** Staff's recommendation differs from the Department's request because staff re-calculated the amount using the new FY 2010-11 PERA employer contribution rate of 7.65 percent. Additionally, during the week of March 1, 2010, the Department informed staff that it withdrew its request to recategorize certain dollars between cash funds and reappropriated funds, which is also reflected in staff's recommendation.

Workers' Compensation

This line item funds the Department's portion of the statewide Workers' Compensation Program, which pays for workers' compensation benefits to state employees. The state is self-insured for workers' compensation claims. **Staff's recommendation for workers' compensation is pending a Committee common policy for workers' compensation.**

Operating Expenses

The Department requests an appropriation of \$95,782 reappropriated funds (indirect cost recoveries). **Staff recommends an appropriation of \$95,440 reappropriated funds (indirect cost recoveries) for FY 2010-11.** Staff is unable to account for the \$342 difference between the Department's request and staff's recommendation. Staff's calculations are included in the following table.

FY 2010-11 Recommendation: Executive Director's Office, Operating Expenses			
Item	Total	Cash Funds	Reapprop. Funds
FY 2009-10 Long Bill	\$107,612	\$0	\$107,612
ARRA funds	29,738	50,980	(21,242)
Supp. #12 - mail equipment upgrade	<u>(8,112)</u>	<u>0</u>	<u>(8,112)</u>
FY 2010-11 Base Request	\$129,238	\$50,980	\$78,258
Annualize supp. #12 - mail equipment	981	0	981
Annualize ARRA funds	(29,738)	(50,980)	21,242
BA #3 - 5.0 percent operating expenses reduction	<u>(5,041)</u>	<u>0</u>	<u>(5,041)</u>
FY 2010-11 Recommendation	\$95,440	\$0	\$95,440

Legal Services

The Department requests an appropriation for 3,021 legal services hours, which is a continuation from the FY 2009-10 Long Bill. **Staff recommends the Department's request for 3,021 legal services hours, but the appropriation amount and fund split are pending the Committee's approval of a blended legal services rate.** Staff requests permission to apply the statewide common policy once it has been determined.

Administrative Law Judge Services

This appropriation is used to fund the Department of Personnel and Administration's share of statewide administrative law judge and paralegal services. The Department requests an appropriation of \$5,301 reappropriated funds for FY 2010-11, which is \$890 less than the amount in the FY 2009-10 Long Bill. This line item is traditionally funded by fees from user agencies. **Staff recommendation is pending the Committee's approval of a statewide common policy for Administrative Law Judge services.** Staff requests permission to apply the Committee's policy once it has been determined.

Purchase of Services from Computer Center

This line item funds the Department's portion of statewide computer usage and services from the Governor's Office of Information Technology. The Department requests \$4,707,429 (\$3,310,706 General Fund, \$193,714 cash funds, and \$1,203,009 reappropriated funds) for FY 2010-11. The following table reflects the components of the Department's request. **Staff's recommendation is pending Committee approval of a statewide common policy for this line item.** However, staff does not recommend the fund splits as submitted by the Department. Staff will present the recommended fund splits to the Committee once the final amount has been determined. **Staff has numerous concerns about this line item's requested appropriation, and they are detailed below.**

Staff is concerned about: (1) the significant increase in **total funds** for this line item; and (2) the significant increase in **General Fund portion** of the requested appropriation, particularly when considering that reappropriated funds portion of the request decreased from 58.7 percent of the total appropriation to 25.6 percent of the total appropriation.

- ❑ The Department requests an additional \$1.8 million appropriation (which includes \$2.4 million General Fund, as reflected in the following table), because costs associated with the Colorado Financial Reporting System (COFRS) and the Colorado Payroll Personnel System (CPPS) are transitioning from the Governor's Office of Information Technology to the Department of Personnel and Administration (DPA), under the principle that DPA is the "business owner" of these systems. **Staff has been unable to determine whether these dollars represent the total statewide cost or just the Department's portion of the total statewide cost.**
- ❑ **Statewide Cost:** If the requested amount is the total statewide cost for operating the system, **it is unclear to staff why General Fund is supporting almost the entire**

increase instead of billing the cost to user agencies, so that cash funds and federal funds support their indirect costs.

- ❑ **Department's Proportional Cost:** If the requested moneys are for only the Department's portion of the total statewide cost for operating COFRS and CPPS, it is reasonable to expect that the Department was billed for the services during FY 2009-10 as one of the OIT statewide common policies. Therefore, the FY 2010-11 budget request would also reflect a change in the appropriation for the line item that previously included these expenditures. The Department has been unable to identify for staff the line item that included these billings for FY 2009-10.

- ❑ **Staff met with both OSPB and DPA to discuss these concerns**, and has submitted several requests for information. At a minimum, staff requested information about whether this amount represented total statewide costs or just the Department's portion. With the exception of changes to the fund allocations (referenced below), **staff has not received any responses to these requests.**

- ❑ On March 8, 2010, the Department changed its requested fund splits to \$2,215,296 General Fund, \$358,622 cash funds, and \$2,133,511 reappropriated funds. Staff was unable to obtain information about why the numbers changed and why the General Fund portion decreased by \$1.1 million. **This change reflects staff's concerns regarding the lack of transparency for how the Department determines its fund splits for common policy appropriations.**

FY 2010-11 Department Request: Purchase of Services from Computer Center				
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds
FY 2009-10 Long Bill	\$2,294,353	\$947,875	\$0	\$1,346,478
GCC common policy base adjustment ^{a/}	1,852,698	2,425,919	130,912	(704,133)
OIT personal services reduction ^{a/}	<u>(152,707)</u>	<u>(63,088)</u>	<u>0</u>	<u>(89,619)</u>
FY 2010-11 Base Request	\$3,994,344	\$3,310,706	\$130,912	\$552,726
DI: Statewide OIT staff consolidation	713,085	0	62,802	650,283
FY 2010-11 Department Request	\$4,707,429	\$3,310,706	\$193,714	\$1,203,009
a/ Please note: This amount reflects the common policy adjustment as submitted by the Department, not a JBC staff common policy recommendation.				

Multiuse Network Payments

This line item funds the Department's portion of costs associated with the Office of Information Technology's administration of the Multiuse Network. The Department requests a total appropriation of \$90,068 (\$23,086 General Fund, \$5,624 cash funds, and \$61,358 reappropriated funds). This amount represents a \$29,941 increase to the FY 2009-10 appropriation. **Staff recommendation is pending the Committee's approval of a statewide common policy for this service.** Staff requests permission to apply the FY 2010-11 common policy once it has been determined.

Management and Administration of OIT

This line item funds the internal office operations and support for the Governor's Office of Information Technology (OIT). The Department requests an appropriation of \$90,068 (\$23,086 General Fund, \$5,624 cash funds, and \$61,358 reappropriated funds) for FY 2010-11. This amount includes the Department's request for a baseline common policy adjustment to increase the total appropriation by \$29,941. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the FY 2010-11 common policy once it has been determined.

Payment to Risk Management and Property Funds

This appropriation funds the Department's share of the statewide cost of property and liability insurance coverage. The property insurance is for State buildings and their contents, and the liability insurance covers claims and expenses that are brought against the State. The Department requests \$44,797 (\$11,484 General Fund, \$2,797 cash funds, and \$30,516 reappropriated funds). **Staff recommendation is pending the Committee's approval of a statewide common policy.** Staff requests permission to apply the common policy once it has been determined.

Vehicle Lease Payments

The Department requests \$99,325 reappropriated funds for FY 2010-11. **Staff recommendation is pending the Committee's approval of a statewide common policy.** Staff requests permission to apply the common policy once it has been determined.

Leased Space

This line item funds the Department's obligations for leases of private office space and other facilities that are not State-owned. The Department requests a total appropriation of \$1,270,593 (\$414,298 General Fund, \$84,278 cash funds, and \$772,017 reappropriated funds). **Staff recommends the Department's request for \$1,270,593 for FY 2010-11.** This amount is a continuation level of funds, although the **Department provided updated fund splits that increased the cash funds portion of the appropriation by \$67,115,** and reduced the reappropriated funds by a corresponding amount.

The following table reflects how the lease spaced is allocated amongst the divisions.

FY 2010-11 Recommendation: Leased Space Amounts and Fund Splits				
Division	Total	General Fund	Cash Funds	Reapprop. Funds
Executive Office	\$268,544	\$160,276	\$0	\$108,268
Human Resources	13,156	6,506	3,984	2,666
Personnel Board	43,457	43,457	0	0
Independent Ethics Commission	4,277	4,277	0	0
Central Services	321,149	0	0	321,149
Accounts & Control - Controller	280,076	199,782	80,294	0
Administrative Hearings	<u>339,934</u>	<u>0</u>	<u>0</u>	<u>339,934</u>
Total	\$1,270,593	\$414,298	\$84,278	\$772,017

Capitol Complex Leased Space

This appropriation represents the Department's portion of the 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 annual allocation to agencies is calculated by the Department and is based on total recoverable program costs and overhead associated with the maintenance and property management functions provided by the Division of Central Services on behalf of State agency tenants in these buildings.

The Department requests a total appropriation of \$994,125 (\$564,514 General Fund and \$429,611 reappropriated funds). This amount includes the FY 2009-10 supplemental reduction of \$14,702 for decreased custodial services for the capitol complex. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the common policy once it has been determined.

Communications Services Payments

This line item's appropriations is used to pay for the Department's share of the overhead costs related to the State's public safety communications infrastructure. The Department requests \$841 General Fund for FY 2010-11, which is a \$46 reduction from the FY 2009-10 appropriation. **Staff's recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the common policy once it has been determined.

Health Insurance Portability and Accountability Act of 1996 - Security Remediation

This line item was created in FY 2004-05 to address the Department of Personnel and Administration's efforts to comply with the Health Insurance Portability and Accountability Act of 1996's (HIPAA) security rule. This rule specified a series of administrative, technical, and physical security procedures for to assure the confidentiality of electronic protected health information.

As a part of its August budget submission, the Department proposed to eliminate the HIPAA Rules Interpreter and Compliance Officer position, stating that "in recent years, the HIPAA compliance focus has declined considerably". The request further stated that **the Department believes that the duties can be absorbed by other programs within the Division of Human Resources**. Staff inquired about whether or not an appropriation was necessary for FY 2010-11, because after the supplemental request was annualized, and an additional \$103,008 was transferred to the Office of Information Technology for the statewide IT consolidation, only \$19,270 remained for the line item. In response to staff questions, the Department confirmed that all of the HIPAA-related functions could be absorbed elsewhere within the Division of Human Resources, and **therefore this line item does not require an appropriation for FY 2010-11. Staff recommends an appropriation of \$0 for FY 2010-11.**

(B) Statewide Special Purpose
(1) Colorado State Employees Assistance Program

Personal Services

Pursuant to Section 24-50-604 (1) (k), C.R.S., this program offers counseling to employees 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. The program also provides guidance to program managers to address these workplace issues. The program's funding is derived from the Group Benefits Plan Reserve Fund and the Risk Management Fund.

The Department requests an appropriation of \$617,440 reappropriated funds and 10.0 FTE for FY 2010-11. This amount is based on a continuation level of funding from FY 2009-10, and incorporates a reduction of \$13,907 to account for the 2.5 percent PERA contribution adjustment for FY 2010-11. **Staff recommends an appropriation of \$617,440 reappropriated funds and 10.0 FTE for FY 2010-11.**

Colorado State Employees Assistance Program: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm
Support / Clerical	1.9	2.0	2.0	2.0
General Professional	4.4	7.0	7.0	7.0
Management	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	7.3	10.0	10.0	10.0

Operating Expenses

The Department requests an appropriation of \$52,844 reappropriated funds for FY 2010-11. This amount is based on the FY 2009-10 appropriation, and decreases the amount by \$132 to reflect the statewide supplemental / budget amendment for the mail equipment upgrade. **Staff recommends the Department's request for \$52,844 reappropriated funds for FY 2010-11.**

Indirect Cost Recoveries

The Department requests, and staff recommends, an appropriation of \$83,237 reappropriated funds for FY 2010-11. This amount is included in the statewide indirect cost recovery plan, which the Committee approved as a statewide common 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.

The Department requests an appropriation of \$458,116 General Fund and 5.0 FTE. **Staff recommends an appropriation of \$458,116 reappropriated funds and 5.0 FTE for FY 2010-11.** Staff applied statewide indirect cost recoveries to supplant the General Fund.

FY 2010-11 Recommendation: Office of the State Architect		
Item	General Fund	FTE
FY 2009-10 Long Bill	\$518,728	6.0
Supp. #5 - Eliminate contractor position	(31,987)	(0.7)
Supplemental - Furlough adjustment	<u>(19,316)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$467,425	5.3
Reinstate furlough reduction	19,316	0.0
2.5 percent PERA reduction	(14,857)	0.0
Annualize eliminated position	(12,641)	(0.3)
BA #3 - 5.0 percent operating reduction	<u>(1,127)</u>	<u>0.0</u>
FY 2010-11 Recommendation	\$458,116	5.0

(B) Statewide Special Purpose
(3) Colorado State Archives

This section manages the State's Internet home page content and sets forth the standard records retention policies for state government. It also preserves and maintains historical documents pertaining to Colorado's history.

Colorado State Archives: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
General Professional	3.0	3.5	3.0	3.0
Archivist	3.9	4.0	4.0	4.0
Support/Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	7.9	8.5	8.0	8.0

Personal Services

The Department requests an appropriation of \$524,770 (\$422,649 General Fund, \$91,490 cash funds, and \$10,631 reappropriated funds) and 8.0 FTE for FY 2010-11. **Staff recommends a total appropriation of \$524,770 (\$91,490 cash funds and \$433,280 reappropriated funds) and 8.0 FTE.** Staff's recommended fund splits differ from the Department's because staff applied statewide indirect cost recoveries to offset the General Fund portion of the appropriation, which recategorized \$422,649 from General Fund to reappropriated funds.

FY 2010-11 Recommendation: Colorado State Archives, Personal Services					
Item	Total	General Fund	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$538,085	\$433,373	\$93,811	\$10,901	8.5
Supplemental - Furlough adjustment	(16,388)	(13,199)	(2,856)	(333)	0.0
FY 2010-11 base appropriation	\$521,697	\$420,174	\$90,955	\$10,568	8.5
Reinstate furlough adjustment	16,388	13,199	2,856	333	0.0
2.5 percent PERA reduction	(13,315)	(10,724)	(2,321)	(270)	0.0
Decision Item #1 - FTE reallocation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.5)</u>
FY 2010-11 Base Recommendation	\$524,770	\$422,649	\$91,490	\$10,631	8.0
Refinance with statewide indirects	\$0	(\$422,649)	\$0	\$422,649	0.0
FY 2010-11 Final Recommendation	\$524,770	\$0	\$91,490	\$433,280	8.0

Operating Expenses

This line item provides operating funds for the State's archival services and records management. The Department requests an appropriation of \$53,954 General Fund for FY 2010-11. This amount is based on a continuation level of funding from FY 2009-10, and incorporates Budget Amendment #3, which reduces general operating expenses by 5.0 percent (\$2,840). **Staff recommends the Department's request for an appropriation of \$53,954 General Fund for FY 2010-11.**

(B) Statewide Special Purpose

(4) Other Statewide Special Purpose

Test Facility Lease

This line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado. In 1970, the State agreed to lease 33,492 acres of land from the State Land Board, and then to 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. According to the Department, it can not renegotiate the lease.

The Department requests \$119,842 General Fund for FY 2010-11, which is a continuation level of funds from FY 2009-10. **Staff recommends the Department's request for \$119,842 General Fund for FY 2010-11.**

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. The Department requests a total appropriation of \$18,000, which includes \$11,264 General Fund and \$6,736 reappropriated funds. This amount includes an additional \$600 (\$375 General Fund and \$225 reappropriated funds) for a contractual increase that was included in the State's contract. **Staff recommends an appropriation of \$18,000 (\$11,264 General Fund and \$6,736 reappropriated funds) for FY 2010-11.**

Employees Emeritus Retirement

This program was created in 1967 and it allows for monthly retirement benefits to be paid to former state employees who had retired from state service for superannuation on a full annuity or disability by July 1, 1967. The program has been modified several times since its inception, which primarily impacted the enrollment date and monthly payment amounts. Senate Bill 87-143 repealed the program, although it is unclear as to whether it was the General Assembly's intent to stop retirement benefits from being paid for current employee emeritus retirements. According to the Department, there are former state employees who have continued to receive payments since 1987, and who expect to receive payments during FY 2010-11.

The Department's November 6, 2009 request was for \$7,290 General Fund, which is a continuation level of funding from FY 2009-10. However, updated figures indicate that the program only requires \$2,710 to continue to provide benefits for the remaining individuals during FY 2010-11. **Staff recommends an appropriation of \$2,710 General Fund for FY 2010-11.**

(2) DIVISION OF HUMAN RESOURCES

This division is responsible for: (1) the administration of the State's classified personnel system; (2) administration of the employee benefits programs; (3) manages statewide systems for payroll and employee databases; and (4) operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies.

(A) Human Resource Services

(1) State Agency Services

This section interprets applicable personnel rules and regulations, and oversees employee appeals to the State Personnel Director. It also conducts the annual Total Compensation Survey and provides policy guidance for developing state benefits.

Division of Human Resources, State Agency Services: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Director/Management	1.2	1.2	1.2	1.2
General Professional	17.3	17.3	14.0	14.0
Support/Clerical	<u>5.1</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total	23.6	23.5	20.2	20.2

Personal Services

The Department requests an appropriation of \$1,648,251 reappropriated funds and 20.2 FTE for FY 2010-11. The reappropriated funds source is indirect cost recoveries available to offset the need for General Fund in this division. **Staff recommends an appropriation of \$1,648,251 reappropriated funds and 20.2 FTE for FY 2010-11.** Staff's calculations are reflected in the following table.

FY 2010-11 Recommendation: State Agency Services, Personal Services					
Item	Total	General Fund	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$2,000,042	\$0	\$0	\$2,000,042	26.2
ARRA funds	27,291	46,784	0	(19,493)	0.0
Annualize indirect cost supplemental	12,826	0	0	12,826	0
Supp. #4 - Eliminate talent unit	(132,750)	0	0	(132,750)	(2.1)
Supp. #1 - Eliminate communication unit	(64,419)	0	0	(64,419)	(0.6)
Furlough adjustment	(16,001)	0	0	(16,001)	0.0
Jan. supp. #1 - Correct indirect cost distribution	(12,826)	0	0	(12,826)	0.0
Late Department technical	<u>0</u>	<u>(46,784)</u>	<u>46,784</u>	<u>0</u>	<u>0.0</u>
FY 2010-11 Base Request	\$1,814,163	\$0	\$46,784	\$1,767,379	23.5
Reinstate 1.82% personal services reduction	37,408	0	0	37,408	0.0
Reinstate furlough adjustment	16,001	0	0	16,001	0.0
Annualize supp. #4 - Eliminate talent unit	(67,026)	0	0	(67,026)	(0.9)
Decision item #1 - FTE reallocation	(62,648)	0	0	(62,648)	(2.0)
2.5 percent PERA reduction	(39,523)	0	0	(39,523)	0.0
Annualize ARRA funds	(27,291)	0	(46,784)	19,493	0.0
Annualize supp. #1 - Communications unit	<u>(22,833)</u>	<u>0</u>	<u>0</u>	<u>(22,833)</u>	<u>(0.4)</u>
FY 2010-11 Recommendation	\$1,648,251	\$0	\$0	\$1,648,251	20.2

FY 2009-10 Department Technical Adjustment

The Department identified two technical corrections in the FY 2009-10 supplemental bill, and these issues need to be addressed through an add-on to the FY 2010-11 Long Bill.

- ❑ The first technical correction is that \$46,784 ARRA funds were reflected as an increase in General Fund instead of an increase in cash funds. **Staff recommends a technical correction to reduce the General Fund spending authority by \$46,784 and to increase the cash fund spending authority by \$46,784, so that the ARRA funds are correctly reflected in the FY 2009-10 supplemental bill.**

- The second technical correction is to the footnote language that accompanies the ARRA funds. The footnote applies to the Office of the Governor, the Department of Personnel and Administration, and the Treasury Department, with the purpose of permitting roll-forward spending authority for the ARRA funds through FY 2011-12. The language included in the FY 2009-10 supplemental bill only includes roll-forward authority through FY 2010-11. The Department requests to modify the footnote language for the three departments to specify roll-forward spending authority through FY 2011-12. **Staff recommends the request to modify the footnote language that accompanies the ARRA funds in the three departments, and the revised language is included at the end of this document.**

Operating Expenses

The Department requests an appropriation of \$84,088 reappropriated funds for FY 2010-11. Staff recommends an appropriation of \$84,070 reappropriated funds for FY 2010-11, funded by indirect cost recoveries. Staff is unable to account for the difference between the Department's request and staff's recommendation. The following table outlines staff's calculations for the Operating Expenses line item.

FY 2010-11 Recommendation: Human Resource Services, Operating Expenses			
Item	Total	Cash Funds	Reapprop. Funds
FY 2009-10 Long Bill	\$88,873	\$0	\$88,873
Supplemental ARRA funds	9,112	15,621	(6,509)
Supp. #12 - mail equipment	<u>(429)</u>	<u>0</u>	<u>(429)</u>
FY 2010-11 Base Request	\$97,556	\$15,621	\$81,935
Annualize supp. #12 - mail equipment	52	0	52
Annualize ARRA funds	(9,112)	(15,621)	6,509
BA #3 - 5.0% operating expenses reduction	<u>(4,426)</u>	<u>0</u>	<u>(4,426)</u>
FY 2010-11 Recommendation	\$84,070	\$0	\$84,070

(A) Human Resource Services

(2) Training Services

This program provides training courses on supervision, program management, leadership, diversity, contract management, procurement procedures, legislative testimony, violence prevention, and performance management to state employees pursuant to Section 24-50-122, C.R.S.

The Department requests, and staff recommends, an appropriation of \$268,694 (\$146,572 cash

funds and \$122,122 reappropriated funds) for FY 2010-11. This is a continuation level of funds from FY 2009-10, and includes the \$100,000 in contingency spending authority that the Committee approved for FY 2009-10.

Indirect Cost Assessment

The Department requests, and staff recommends, and appropriation of \$4,605 reappropriated funds for FY 2010-11. Staff notes that although there was no appropriation for this line item for FY 2009-10, there was an appropriation for FY 2008-09, and therefore staff does not consider it to be a request for a new line item.

(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 the following: (1) dental plans; (2) medical plans; (3) an optional life and accidental death and disability plan; (4) a short-term disability plan; (5) a long-term disability plan; and (6) Section 125 Flexible Spending Account Programs.

Employee Benefits Services: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
General Professional	7.1	6.0	6.0	6.0
Accounting	1.2	1.2	1.2	1.2
Support / Clerical	<u>2.8</u>	<u>3.3</u>	<u>2.8</u>	<u>2.8</u>
Total	11.1	10.5	10.0	10.0

Personal Services

The Department requests an appropriation of \$790,579 reappropriated funds and 10.0 FTE for FY 2010-11. This amount is based on the FY 2009-10 Long Bill appropriation, and incorporates a reduction of \$182,540 to account for S.B. 09-066, and a reduction of \$19,282 to reflect the 2.5 percent reduction in the employer's PERA contribution rate. **Staff recommends a total appropriation of \$770,579, including \$746,359 cash funds, \$24,220 reappropriated funds, and 10.0 FTE for FY 2010-11.** The Department's request differs from staff's recommendation because it did not fully annualize S.B. 09-066. The differences in the fund source is explained below.

Withdrawn Request

The Department's November 6, 2009 budget submission included a refinancing of \$766,359 from cash funds to reappropriated funds. During the week of March 1st, 2010, the Department informed staff that it had learned that the funds were correctly categorized in the FY 2009-10 Long Bill, and

thus it was withdrawing this request. However, the numbers pages continue to reflect the request as submitted in November because staff did not receive a formal notice through the Office of State Planning and Budgeting. For this reason, staff's recommended fund splits are different than those reflected in the numbers pages.

FY 2010-11 Recommendation: Employee Benefits Services, Personal Services				
Item	Total	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$992,401	\$948,899	\$43,502	12.5
S.B. 09-066 (PERA merger)	(161,339)	(161,339)	0	(2.0)
Furlough adjustments	<u>(23,732)</u>	<u>(22,783)</u>	<u>(949)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$807,330	\$764,777	\$42,553	10.5
Reinstate furlough adjustment	23,732	22,783	949	0.0
Annualize S.B. 09-066 (PERA merger)	(41,201)	(41,201)	0	(0.5)
2.5% PERA reduction	<u>(19,282)</u>	<u>0</u>	<u>(19,282)</u>	<u>0.0</u>
FY 2010-11 Recommendation	\$770,579	\$746,359	\$24,220	10.0

Decision Item #2 - Division of Human Resources Operating Expenses Reduction

Department Request: The Department requests to reduce the appropriation for the Employee Benefits Services, Operating Expenses line item by \$41,434 cash funds.

Staff Recommendation: Staff recommends the Department's request to reduce the Operating Expenses line item by \$41,434 cash funds.

Staff Analysis: According to the Department, it has been able to reduce this line item's expenditures by completing most printing and postage through electronic methods. For the prior two years, this line item has reverted a significant amount of its appropriation. Reducing the line item appropriation will more accurately reflect the Department's overall need.

Operating Expenses

The Department requests an appropriation of \$56,924 cash funds. The cash fund source is the Employee Group Benefits Plan Cash Fund. **Staff recommends an appropriation of \$56,924 cash funds for FY 2010-11**, which includes the reduction of \$41,434 cash funds that was submitted as Decision Item #2.

Utilization Review

This appropriation funds audits of the State's employee group benefits plans to ensure that they are financially sound and accurate. The Department requests an appropriation of \$40,000 cash funds for FY 2010-11, which has been the same appropriation amount since FY 2007-08.

The Department states that the funds are used for two purposes: (1) \$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 (2) \$27,500 for contractual services to analyze plan utilization and financial analysis. According to the Department, the contract services assess unit costs and cost drivers such as medical procedures and demographics. **Staff recommends the request for an appropriation of \$40,000 cash funds (Group Benefit Plans Reserve Fund).**

Deferred Compensation Plans

Senate Bill 09-066 transferred the administration of the State's deferred compensation retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2010-11. **The Committee does not need to take action on this line item because the program was eliminated.**

Deferred Compensation Administration (TPA)

Senate Bill 09-066 transferred the administration of the State's deferred compensation retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2010-11. **The Committee does not need to take action because S.B. 09-066 eliminated this line item's appropriation.**

Defined Contribution Plans

This line item previously supported the administration of the State's defined contribution plans. Senate Bill 09-066 transferred the administration of the State's defined contribution retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2010-11. **The Committee does not need to take action on this line item because S.B. 09-066 eliminated this line item's appropriation.**

H.B. 07-1335 Supplemental State Contribution Fund

Pursuant to Section 24-50-609 (5), C.R.S., this line item 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. The Department's November 6, 2009 request was for \$1,599,114 cash funds. However, staff received updated information that indicates this line item is

eligible to receive \$1,469,800 cash funds for FY 2010-11. **Staff recommends an appropriation of \$1,469,800 cash funds for FY 2010-11.**

Indirect Cost Recoveries

The Department requests, and staff recommends, an appropriation of \$250,261 reappropriated funds pursuant to the statewide indirect cost recovery plan. **Staff recommends the Committee approve the Department's request, which reflects established common 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: (1) accident investigation; (2) legal defense; (3) safety training; (4) hazard mitigation; (5) building inspection; (6) insurance procurement; (7) claim evaluation; and (8) data collection.

Risk Management: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
General Professional	4.0	6.0	6.0	6.0
Accounting	0.8	0.8	0.8	0.8
Support/Clerical	<u>1.4</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
Total	6.2	9.0	9.0	9.0

Personal Services

The Department requests an appropriation of \$650,085 reappropriated funds and 9.0 FTE for FY 2010-11. The request is based on the FY 2009-10 Long Bill appropriation, and includes a reduction of \$9,126 for the 2.5 percent reduction for employer PERA contribution rates. **Staff recommends the Department's request for an appropriation of \$650,085 reappropriated funds and 9.0 FTE for FY 2010-11.** The reappropriated funds sources are the Risk Management Fund, the Self-Insured Property Fund, and the State Employee Workers' Compensation Account.

Operating Expenses

The Department requests an appropriation of \$57,130 reappropriated funds (Risk Management Fund, Self-Insured Property Fund, and the State Employee Workers' Compensation Account). **Staff recommends the Department's request for \$57,130 reappropriated funds for FY 2010-11.**

Legal Services

Pursuant to Section 24-30-1507, C.R.S., this line item funds the legal expenses associated with the Liability Program in the Risk Management Services Section. Funds in the Liability Program are continuously appropriated for this line item pursuant to Sections 24-30-1510 (1) and (3) (a), C.R.S., but funds for the State Employee Workers' Compensation Account are subject to annual appropriation by the General Assembly.

The Department requests 31,860 legal services hours, which is the same number that it has received for the prior five years. **Staff recommends an appropriation of 31,860 legal services hours for FY 2010-11, but the actual dollar amount is pending the Committee's approval of a statewide common policy for legal services rates.** The following table reflects the Risk Management Services' anticipated legal costs for FY 2009-10, by coverage type.

FY 2009-10 Estimated Cost of Legal Defense per Coverage Type		
Coverage	Amount	% of Total
Personal injury liability	\$1,844,094	80.2%
Auto risk	256,405	11.1%
General bodily injury	114,257	5.0%
General property damage	56,801	2.5%
Attorney General non claim costs	16,874	0.7%
Service	<u>11,380</u>	<u>0.5%</u>
Total	\$2,299,811	100.0%

Liability Premiums

The State is self-insured for the Liability Program, and this line item is used to pay for liability claims and expenses 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. Judgements for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S. This act limits these 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 item is funded by appropriations from the Risk Management Fund, created pursuant to Section 24-30-1510, C.R.S. The Risk Management Fund receives revenues from two primary sources: (1) payments from state agencies; and (2) interest earned on those payments. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-

1510 (1), C.R.S.

The department requests an appropriation of \$8,518,917 reappropriated funds for FY 2010-11. **Staff's recommendation is pending Committee approval of a statewide common policy for this line item.**

Property Premiums

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. The Property Program is funded by appropriations from the Self-Insured Property Fund created pursuant to Section 24-30-1510.5, C.R.S. The Property Fund receives revenues from two primary sources: (1) payments from state agencies; and (2) interest on these payments. The General Assembly appropriates spending authority for program costs in the Long Bill. However, pursuant to Section 24-30-1510.5 (1), C.R.S., payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated.

The department requests an appropriation of \$10,706,245 reappropriated funds for FY 2010-11. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.**

Workers' Compensation Premiums

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. There are two broad categories of workers' compensation payments: (1) medical payments; and (2) 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 by appropriations 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. Similar to the Liability Program, the fund receives revenue from payments from State agencies and interest. 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. (Section 24-30-1510.7 (2), C.R.S.).

The Department requests an appropriation of \$43,347,417 reappropriated funds for FY 2010-11. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.**

Indirect Cost Assessment

The Department requests, and staff recommends, and appropriation of \$183,888 reappropriated funds for FY 2010-11. This amount is included in the statewide indirect cost recovery plan, which the Committee approved as a common policy.

(3) CONSTITUTIONALLY INDEPENDENT ENTITIES

(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: (1) adjudicates employment disputes within the state classified system; (2) promulgates rules to ensure that state employment is based on merit; (3) conducts administrative hearings; (4) promulgates rules under the authority of the State Administrative Procedures Act; and (5) facilitates dispute resolution.

Constitutionally Independent Entities, Personnel Board: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Director / General Professional	2.0	2.0	2.0	2.0
Administrative Law Judge	1.8	1.8	1.8	1.8
Support / Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	4.8	4.8	4.8	4.8

Personal Services

The Department requests an appropriation of \$473,985 and 4.8 FTE for FY 2010-11. This amount includes \$472,819 General Fund and \$1,166 cash funds, which are derived from receipts for copies of information and case documentation. The request is based on a continuation level of funding from FY 2009-10, and includes the 2.5 percent reduction in the State's PERA contribution rate for FY 2010-11 (total reduction of \$11,906, including \$11,876 General Fund and \$30 cash funds). **Staff recommends the Department's request for a total appropriation of \$473,985 and 4.8 FTE for FY 2010-11.** Of the appropriation, \$472,819 is reappropriated funds from statewide indirect cost recoveries, and \$1,166 is cash funds from receipts for copies of information and case documentation. Staff applied the statewide indirect cost recoveries to offset different line items that those for the FY 2009-10 Long Bill, which reflects the Long Bill reorganization that occurred for FY 2009-10.

Operating Expenses

The Department requests an appropriation of \$19,511 for FY 2010-11, including \$19,478 General Fund and \$33 reappropriated funds. **Staff recommends an appropriation of \$19,478 reappropriated funds** for this line item. The appropriation incorporates a reduction of \$1,027 to reflect the Department's request to reduce general operating expenses by 5.0 percent. The Department's request differs from staff's recommendation because staff did not include \$33 for the mail equipment upgrade. Additionally, staff applied statewide indirect cost recoveries to offset the General Fund, which recategorized the dollars as reappropriated funds.

Legal Services

The Department requests, and staff recommends, a continuation appropriation of 330 hours of legal services. The fund source will be General Fund, but **the actual dollar amount is pending the Committee's approval of a statewide common policy for legal services rates.** Staff requests permission to apply the Committee's common policy once it has been determined.

(B) Independent Ethics Commission

The Independent Ethics Commission (IEC) is a Constitutionally-created independent commission charged with the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The purpose of the IEC is to: (1) hear complaints, issue findings, and assess penalties for certain cases; (2) to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution; and (3) to issue advisory opinions on any other standards of conduct and reporting requirements as provided by law. Members serve without compensation but are reimbursed for actual and necessary expenses incurred in carrying out their duties.

Personal Services

The Department requests an appropriation of \$142,579 General Fund and 2.0 FTE for FY 2010-11. This amount is based on the FY 2009-10 Long Bill appropriation, and includes a reduction of \$1,706 to account for the 2.5 percent PERA reduction. **Staff recommends an appropriation of \$142,579 General Fund and 2.0 FTE** for FY 2010-11.

Operating Expenses

The Department requests an appropriation of \$15,807 General Fund for this line item. The request is based on the FY 2009-10 Long Bill appropriation, and incorporates a decrease of \$832 as a part of the Department's 5.0 percent general operating expenses reduction. **Staff recommends the Department's request for an appropriation of \$15,807 General Fund.**

Legal Services

The Department requests, and staff recommends, an appropriation for 900 legal services hours for FY 2010-11. This is the same number of hours that were appropriated for the FY 2009-10 Long Bill. The fund source will be General Fund, but staff's recommendation for **the actual dollar amount is pending the Committee's approval of a statewide common policy rate for legal services.** Staff requests permission to apply the common policy once it has been determined.

(4) CENTRAL SERVICES

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

(A) Administration

The Administration section provides services such as management, human resources, accounting, and marketing. It also includes the State Travel Management program, which coordinates and oversees state employee travel.

Central Services, Administration: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Director / Management	1.6	2.0	2.0	2.0
Accounting / Budgeting	2.0	2.0	2.0	2.0
General Professional	3.0	4.0	4.0	4.0
Support / Clerical	<u>2.1</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	8.7	10.0	10.0	10.0

Personal Services

The Department requests an appropriation of \$751,883 reappropriated funds and 10.0 FTE for FY 2010-11. This amount is based on the FY 2009-10 Long Bill and includes a decrease of \$19,375 reappropriated funds to account for the 2.5 percent reduction in the employer's PERA contribution rates. **Staff recommends the Department's request for \$751,883 reappropriated funds for FY 2010-11.**

Operating Expenses

The Department requests an appropriation of \$77,427 reappropriated funds for this line item. This amount has remained constant since FY 2008-09. **Staff recommends an appropriation of \$77,427 reappropriated funds for FY 2010-11.** The reappropriated funds sources are the Department of Personnel Revolving Fund (see Section 24-30-1108 (1), C.R.S., and the Motor Fleet Management Fund (see Section 24-30-1115 (1), C.R.S.)

Indirect Cost Assessment

The Department requests, and staff recommends, an appropriation of \$139,025 reappropriated funds for FY 2010-11. This amount is consistent with the statewide indirect cost recovery plan, which the Committee already approved as a statewide common policy.

(B) Integrated Document Factory SOLUTIONS

The Integrated Document Solutions (IDS) contains three subsections: (1) Reprographics Services; (2) Document Solutions Group; and (3) Mail Services. These subsections 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. The 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.).

Recommendation to Change a Long Bill Subsection Title

Long Bill Line Item Name Change

Staff Recommendation: Staff recommends changing the name of this Long Bill subsection from Integrated Document Factory to Integrated Document *Solutions*.

Background: In 2005, the Department changed the name of this division from Integrated Document Factory to Integrated Document *Solutions* (IDS). All of the Department's documents, information, and correspondence refer to this division as IDS, as do other Departments that use its services. This name change will improve statewide consistency and transparency, so that the Long Bill's titles are the same as those within the Department. **This change will not have a fiscal impact.**

Contingency Funds: Background and Updated Calculations

- Background for 20.0 Percent Contingency Funds:** During the Department's FY 2009-10 figure-setting, JBC staff recommended, and the Committee approved, contingency funding equal to 20.0 percent of the base appropriation for the Reprographics Services Group, the Document Solutions Group, and the Mail Services Group. Staff's understanding is that the purpose for the 20.0 percent contingency funding is to allow the Department to accommodate unanticipated service requests from other agencies.
- Spending Authority:** This section of the Long Bill provides services to other State agencies and local governments, and the line item appropriations represent *spending authority* to allow the Department to perform the work. Without adequate spending authority, the Department is unable to accommodate unanticipated requests from other departments.
- Budget Request:** The November 6, 2009 budget request did identify which appropriations included contingency dollars, and also did not recalculate the 20.0 percent contingency funds on the updated FY 2010-11 base appropriation. Rather, the funds were collapsed into the

line item appropriation. Staff is concerned that over time, the contingency funds will be incorporated as a part of the base, which would not reflect the Committee's intentions.

- ❑ **Staff Recommendation:** In order to keep track of the contingency dollars, and to adjust them according to the base appropriation, **staff recommends that the Committee submit a request for information to the Office of State Planning and Budgeting (OSPB)**, requesting that the Department's annual budget request submission re-calculate the 20.0 percent contingency funds on an annual basis, based on the updated base appropriation. Staff also recommends a request to the Department to provide information about how the contingency funds were utilized.

- ❑ **Staff Calculations:** Staff used the updated FY 2010-11 base appropriation to recalculate the 20.0 percent contingency funds for FY 2010-11. Staff included these calculations for the relevant line items.

(B) Integrated Document Factory SOLUTIONS

(1) Reprographics Services

Pursuant to Section 24-30-1104, C.R.S., the Reprographics Services section specializes in comprehensive commercial and graphic art services, offset printing, and high volume digitalized copying. It also manages the rental of office copiers for low volume operations to other State agencies.

Central Services, Reprographics Services: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Production	11.0	11.0	11.0	11.0
Arts Professional	3.2	4.0	4.0	4.0
General Professional / Manager	1.3	1.6	1.6	1.6
Support / Clerical	<u>3.8</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total	19.3	20.6	20.6	20.6

Personal Services

The Department requests an appropriation of \$1,878,032 reappropriated funds and 20.6 FTE for this line item. The source of reappropriated funds are fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends an appropriation of \$1,959,017 reappropriated funds and 20.6 FTE for FY 2010-11.** The Department's request differs from staff's recommendation because staff recalculated the 20.0 percent contingency funds according to the line item's updated FY 2010-11 base appropriation. Staff's recommendation is outlined in the following table.

FY 2010-11 Recommendation: Reprographics Services, Personal Services		
Item	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$1,283,514	20.6
H.B. 09-1150	594,632	0.0
Furlough adjustment	<u>(5,286)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$1,872,860	20.6
Reinstate 1.82% personal services reduction	22,301	0.0
Reinstate furlough adjustment	5,286	0.0
2.5 percent PERA reduction	(22,415)	0.0
Back-out prior year contingency funding	<u>(245,518)</u>	<u>0.0</u>
FY 2010-11 Base Request for Contingency	\$1,632,514	20.6
20.0 percent contingency funding	326,503	0.0
FY 2010-11 Recommendation	\$1,959,017	20.6

Operating Expenses

The Department requests \$4,877,541 reappropriated funds for FY 2010-11. **Staff recommends an appropriation of \$5,275,909 reappropriated funds for FY 2010-11.** The reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The difference between the Department's request and staff's recommendation is because staff re-calculated the 20.0 percent contingency funds based on the line item's updated FY 2010-11 base appropriation. Staff's calculations are included in the following table.

FY 2010-11 Recommendation: Reprographics Services, Operating Expenses	
	Reapprop. Funds
FY 2009-10 Long Bill	\$3,692,794
H.B. 09-1150	1,184,747
FY 2010-11 Base Request	\$4,877,541
Back-out prior year contingency funds	(480,950)
FY 2010-11 Base for Contingency	\$4,396,591
20.0 percent contingency funds	879,318
FY 2010-11 Recommendation	\$5,275,909

Indirect Cost Assessment

The Department requests, and staff recommends, an appropriation of \$214,955 reappropriated funds for this line item. This appropriation is consistent with the statewide indirect cost recovery plan that the Committee already approved.

(B) Integrated Document Factory SOLUTIONS

(2) Document Solutions Group

This section offers state agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation, and image storage. According to the Department, its scanning costs are up to 60.0 percent less than those provided by private entities.

Central Services, Document Solutions Group: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Production	5.8	4.0	4.0	4.0
Information Tech.	0.2	1.2	1.2	1.2
General Professional/ Management	1.2	2.0	2.0	2.0
Data Entry	47.1	40.5	40.5	40.5
Support /Clerical	<u>4.1</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total	58.4	50.2	50.2	50.2

Personal Services

The Department requests \$4,319,976 (\$42,899 cash funds and \$4,335,774 reappropriated funds) and 50.2 FTE for the Document Solutions Group's Personal Services line item. The cash funds are user fees from non-state agencies, and the reappropriated funds are transfer payments from other state agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends a total appropriation of \$4,494,483 (\$42,899 cash funds and \$4,451,584 reappropriated funds) and 50.2 FTE.** The difference between the Department's request and staff's recommendation is because the request as submitted by the Office of State Planning and Budgeting did not recalculate the 20.0 percent contingency funds on the updated FY 2010-11 base appropriation. **Staff's calculations are included in the following table.**

FY 2010-11 Recommendation: Document Solutions Group, Personal Services				
Item	Total	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$3,358,983	\$43,336	\$3,315,647	50.2
H.B. 09-1150	1,357,676	0	1,357,676	0.0
Furlough adjustment	<u>(3,059)</u>	<u>0</u>	<u>(3,059)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$4,713,600	\$43,336	\$4,670,264	50.2
Reinstate 1.82 percent personal services reduction	57,563	0	57,563	0.0
Reinstate furlough adjustment	3,059	0	3,059	0.0
OIT Statewide consolidation	(395,112)	0	(395,112)	0.0
2.5 percent PERA reduction	(59,134)	(437)	(58,697)	0.0
Back-out prior year contingency funds	<u>(567,424)</u>	<u>0</u>	<u>(567,424)</u>	<u>0.0</u>
FY 2010-11 Base for Contingency	\$3,752,552	\$42,899	\$3,709,653	50.2
20.0 percent contingency funds	741,931	0	741,931	0.0
FY 2010-11 Recommendation	\$4,494,483	\$42,899	\$4,451,584	50.2

Operating Expenses

The Department requests an appropriation of \$1,149,731 reappropriated funds for FY 2010-11. The source of reappropriated funds are transfer payments from other state agencies deposited in the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends an appropriation of \$1,195,620 reappropriated funds for FY 2010-11.** The difference between the Department's request and staff's recommendation is because the Office of State Planning and Budgeting did not re-calculate the 20.0 percent contingency funds for FY 2010-11 on the updated base appropriation. Staff's calculations are illustrated in the following table.

FY 2010-11 Recommendation: Document Solutions Group, Operating Expenses	
Item	Reapprop. Funds
FY 2009-10 Long Bill	\$948,741
H.B. 09-1150	200,722
Supp. #12 mail equipment upgrade	<u>(2,212)</u>
FY 2010-11 Base Request	\$1,147,251
Back-out prior year contingency funds	(150,901)
FY 2010-11 Base for Contingency	\$996,350
20.0 percent contingency funds	199,270
FY 2010-11 Recommendation	\$1,195,620

Utilities

This line item supports the utility costs associated with the operations of the Document Solutions Group in Pueblo. **The Department requests, and staff recommends, a continuation appropriation of \$69,000 reappropriated funds for FY 2010-11.**

Indirect Cost Assessment

The Department requests, and staff recommends, an appropriation of \$261,123 reappropriated funds for indirect cost assessment. This amount is consistent with the statewide indirect cost recovery plan that was approved by the Committee as statewide common policy.

(B) Integrated Document Factory SOLUTIONS

(3) Mail Services

This section provides full mail services to other State agencies. The Department reports that its mail services have been expanding, and beginning in March, 2010, it will incorporate additional locations in the northern part of the State.

Central Services, Mail Services: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Equipment Operator	12.8	13.0	13.0	13.0
Arts Technician	0.6	0.2	0.2	0.2
IT Technician	1.5	0.0	0.0	0.0
General Professional	4.9	5.0	5.0	5.0
Materials Handler	1.2	1.0	1.0	1.0
Production	9.1	9.2	9.2	9.2
Support /Clerical	<u>14.9</u>	<u>14.4</u>	<u>14.4</u>	<u>14.4</u>
Total	45.0	42.8	42.8	42.8

Personal Services

The Department requests \$2,944,184 reappropriated funds and 42.8 FTE for FY 2010-11. The reappropriated funds are transfers from user state agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends \$3,211,639 reappropriated funds and 42.8 FTE for FY 2010-11.** The difference between the Department's request and staff's recommendation is because the Office of State Planning and Budgeting did not

re-calculate the 20.0 percent contingency funds on the new FY 2010-11 base appropriation. As mentioned earlier in the document, staff recommends that the Department's November budget submission incorporate a detailed calculation that updates the 20.0 percent contingency funds to reflect increases or decreases in the base appropriation.

Staff's calculations are included in the table below.

FY 2010-11 Recommendation: Mail Services, Personal Services		
Item	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$2,338,094	42.8
H.B. 09-1150	617,671	0.0
Furlough adjustment	<u>(19,870)</u>	<u>0.0</u>
FY 2010-11 Base Request	2,935,895	42.8
Reinstate 1.82% personal services reduction	24,337	0.0
Reinstate furlough adjustment	19,870	0.0
2.5 percent PERA reduction	<u>(35,918)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$2,944,184	42.8
Back-out prior year contingency funds	(267,818)	0.0
FY 2010-11 Base for Contingency	\$2,676,366	42.8
20.0 percent contingency funds	535,273	0.0
FY 2010-11 Recommendation	\$3,211,639	42.8

Operating Expenses

The Department requests an appropriation of \$13,700,978 reappropriated funds for the Operating Expenses line item. **Staff recommends an appropriation of \$14,519,620 reappropriated funds for FY 2010-11.** The source of reappropriated funds is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The difference between the Department's request and staff's recommendation is that staff re-calculated the contingency funds based on the updated FY 2010-11 base appropriation. It is important to re-calculate the contingency funds on an annual basis so that the additional spending authority does not become intertwined with the appropriation, and so that it is adjusted to reflect changes in the line item's appropriation. For FY 2010-11 the recalculation resulted in a greater amount of spending authority, but it is feasible that if the appropriation is reduced in the future, the recalculation will result in a lower amount of spending authority than for the prior year.

FY 2010-11 Recommendation: Mail Services, Operating Expenses	
Item	Reapprop. Funds
FY 2009-10 Long Bill	\$11,213,611
H.B. 09-1150	3,913,861
Supp #12, mail equipment upgrade - statewide	(1,428,000)
Supp #12 mail equipment upgrade - Department impact	<u>(12,455)</u>
FY 2010-11 Base Request	\$13,687,017
Annualize supp. #12 - mail equipment	1,506
Back-out prior year contingency funds	<u>(1,588,840)</u>
FY 2010-11 Base for Contingency	\$12,099,683
20.0 percent contingency funds	2,419,937
FY 2010-11 Recommendation	\$14,519,620

MAIL EQUIPMENT UPGRADE (New Line Item)

During the FY 2009-10 budget process, the Committee approved the Department's request to purchase updated mail equipment. The Department has since learned that it could not use the funds as initially intended, because the federal government would not allow the Department to seek reimbursement of capital expenditures through direct or indirect cost assessments. The Department submitted a supplemental in January, 2010, to enter into a five-year lease-purchase agreement for the equipment. **The Committee approved the Department's request, which annualizes to a total appropriation of \$333,642 for FY 2010-11 (\$156,018 General Fund and \$177,624 reappropriated funds).**

Indirect Cost Assessment

The Department requests an appropriation of \$252,286 reappropriated funds. **Staff recommends the Department's request for an appropriation of \$252,286 reappropriated funds for FY 2010-11.** This recommendation is consistent with the Committee's common policy concerning the statewide indirect cost recovery plan.

(C) Fleet Management and Motor Pool Services

State Fleet Management provides oversight for all of the vehicles in the State fleet program. It provides for: (1) vehicle purchasing; (2) management of maintenance, repairs, and preventative services; (3) collision management; (4) vehicle reassignment; (5) fleet monitoring and reporting; and (6) the auction and salvage of older vehicles. This section also operates the State motor pool.

Pursuant to Section 24-30-1104 (2) (c) (II), C.R.S., the Department is to increase the utilization of alternative fuels. Beginning in January, 2010, statute directs the Department to purchase motor

vehicles that operate on compressed natural gas, subject to their availability, unless the increased cost is more than 10.0 percent over the cost of a comparable nonflexible fuel vehicle. In the absence of a compressed fuel vehicle, the Department is directed to purchase another type of flexible fuel vehicle or a hybrid vehicle, unless the increased cost is more than 10.0 percent over the cost of a comparable nonflexible fuel vehicle.

As of January, 2010, the State's fleet included 5,620 vehicles. Vehicles have two main types of expenses: variable and operating.

- ❑ **Variable costs** are determined by how much the vehicle is used. The average variable *operating cost per vehicle* is \$0.22 per mile (fuel and maintenance only). These costs are 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, whose leases are for 48 months. The average *fixed cost per mile* is \$0.15 (cost and financing only). Departments are assessed an average vehicle management fee of \$26.50 per vehicle, per month, to fund the State fleet's overhead costs. Fixed costs are reflected in each Department's **Vehicle Lease Payments** line item.

Central Services, Fleet Management Program and Motor Pool Services: Staff Summary				
	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
General Professional	2.0	2.0	2.0	2.0
Customer Support	2.0	3.0	3.0	3.0
Equipment Mech.	2.0	2.0	2.0	2.0
Accounting / Support / Clerical	<u>8.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Total	14.0	14.0	14.0	14.0

Personal Services

The Department requests, and staff recommends, \$728,512 reappropriated funds and 14.0 FTE for FY 2010-11. The appropriation reflects a decrease for the OIT statewide staff consolidation (\$117,012), and a reduction of \$20,506 for the 2.5 percent reduction in the employer's PERA contribution rate. The reappropriated funds are transfers from state agencies that are deposited into the Motor Fleet Management Fund (Section 24-30-1115, C.R.S.).

Operating Expenses

The Department requests an appropriation of \$24,127,500 reappropriated funds for FY 2010-11.

Staff recommends an appropriation of \$24,131,346 reappropriated funds for FY 2010-11. Staff's recommendation continues the Committee's decision for FY 2009-10 that added contingency spending authority of \$1.00 per gallon to account for volatility in the price of fuel. The table below reflects how staff calculated the recommendation.

- ❑ **Miles per Gallon:** The estimated number of miles per gallon decreased between FY 2009-10 and FY 2010-11 because flex fuel vehicles (E85) get approximately 30.0 percent fewer miles per gallon than a vehicle that uses regular fuel. The amount of fuel being used by E85 vehicles increased by 30,000 gallons during FY 2008-09, and is expected to increase by another 15.0 percent during FY 2009-10. **The low miles per gallon for E85 vehicles more than offset any efficiencies that were gained by adding additional hybrids to the State fleet.**

FY 2010-11 Fleet Operating Expenses Calculation			
Item	FY 2009-10	FY 2010-11	Difference
Forecasted national fuel price per gallon for FY 2010-11 (DOE/EIA February 2010 forecast)	\$2.02	\$2.91	\$0.89
Difference between State and national cost per gallon (adjusts for taxes, diesel, and regional differences)	<u>(0.16)</u>	<u>(0.43)</u>	<u>(0.27)</u>
Projected average cost per mile	\$1.86	\$2.48	\$0.62
Estimated annual miles	78,000,000	69,500,000	(8,500,000)
Estimated miles per gallon	16.0	15.6	(0.4)
Estimated annual gallons	<u>4,875,000</u>	<u>4,455,128</u>	<u>(419,872)</u>
Estimated annual fuel cost	\$9,067,500	\$11,048,718	\$1,981,218
Estimated FY 2010 maintenance cost per mile	\$0.101	\$0.105	\$0.004
Estimated maintenance cost	\$7,878,000	\$7,297,500	(\$580,500)
Business operating expenses	227,000	227,000	0
Auction fees	150,000	130,000	(20,000)
Net accidents (@ \$0.14/mile)	<u>1,092,000</u>	<u>973,000</u>	<u>(119,000)</u>
Base spending authority need	\$18,414,500	\$19,676,218	\$1,261,718
Requested contingency for potential \$1.00 per gallon increase in fuel costs	\$4,875,000	\$4,455,128	(\$419,872)
Total Appropriation Request	\$23,289,500	\$24,131,346	\$841,846

Vehicle Replacement Lease, Purchase, or Lease/Purchase

This line item includes spending authority for the Department to fund the lease payments for all vehicles in the State's fleet. The vehicle leases vary between 72 and 120 months, although the Colorado State Patrol's vehicles have 48-month lease periods. Once the term of the lease has

expired, the department is no longer appropriated funds for this purpose. However, the Department of Personnel and Administration continues to charge a management fee of \$26.50 per month for all vehicles, regardless of whether or not the vehicle has completed its lease term.

Staff's recommendation is pending until the Committee has finalized its decisions on vehicle replacements new vehicle purchases for all departments. Staff will present this recommendation at the end of figure-setting.

Indirect Cost Assessment

The Department requests an appropriation of \$641,731 reappropriated funds for this line item. **Staff recommends the Committee approve the department's request for a \$641,731 reappropriated funds appropriation**, which is consistent with the Committee's common policy concerning the statewide indirect cost recovery plan.

(D) Facilities Maintenance

This section is responsible for all buildings, grounds, and infrastructure maintenance of state owned property. Maintenance activities include HVAC, plumbing, electrical, elevators, lights, general maintenance, and custodial services. There are three campuses in the Facilities Maintenance program: (1) Capitol Complex; (2) Grand Junction State Services Building; and (3) Camp George West.

Combine Facilities Maintenance Buildings Line Items

Background

The Division of Central Services manages State buildings that are currently divided amongst three subsections: Capitol Complex, Grand Junction, and Camp George West. Historically, appropriations for Grand Junction have been insufficient to allow to the operational flexibility necessary to compensate for the unpredictable costs that are inherent to facilities operations. Many hours of staff time are consumed every year as the Department identifies solutions for addressing unanticipated building needs that are as small as \$1,000. During prior years, the Department has compensated for the insufficient appropriations by allocating what staff considers to be a disproportionate amount of common policy POTS to these lines to compensate for funding shortfalls. There have also been times when the Department transferred dollars from other line items in order to address an unforeseen expenditure.

Staff's understanding is that the Department submitted a similar request for FY 2008-09, and at that time JBC staff did not recommend it because it was unclear as to why the line items are currently separate, and staff was concerned about one facility subsidizing the activities of another. The Department has since provided information that addresses these concerns.

Staff Recommendation

Staff recommends a **budget-neutral consolidation of certain lines within the three existing subsections - Capitol Complex, Grand Junction, and Camp George West**. Staff recommends that the three subsections condense their Personal Services, Operating Expenses, and Utilities line items so that there is one of each under a new subsection titled "Facilities Maintenance".

Staff Analysis

- ❑ **Current Line Item Organization:** Staff's understanding is that the facilities are reflected as three different subsections because they were acquired separately over time. Grand Junction was incorporated into the Long Bill for FY 1986-87, and Camp George West was added for FY 1998-99. It is not uncommon to incorporate new expenditures as separate line items, and there isn't necessarily a concrete reason for doing so.
- ❑ **Tracking Expenditures:** At the time that this proposal was first considered for FY 2008-09, JBC staff expressed concern that the Department would use one location to subsidize another, potentially masking fiscal problems. Also, since the tenants at each location are charged different rates, it is important that excess revenues at one location are not used to subsidize the tenants at another. The Department has agreed to provide JBC staff with an annual spreadsheet detailing the expenditures at each location (see Appendix A). Staff will be able to continue monitoring the spending separately for each location.
- ❑ **Leased Space Cost Allocation:** The Department bills tenants different rates, depending upon their building location. If the three locations are billed as one unit, tenants at one location could be overcharged in comparison to the surrounding market, while tenants at another location (i.e. the Capitol Complex) could pay less than the expected market rate. The Department has assured staff that it will continue to bill for each location separately.
- ❑ **Staff recommends consolidating the line items for the purpose of providing the Department with greater fiscal flexibility to address unanticipated expenditures without requesting additional spending authority or increasing billings to tenants.** In the event that it becomes difficult to obtain information about the separate facilities, or if it appears that tenants at one location are subsidizing the costs for tenants at another location, staff recommends that the line items be separated again.
- ❑ The following table reflects staff's current recommendation for each individual line item, as well as what the appropriation would be for the line items once they are consolidated.

Facilities Maintenance: FY 2010-11 Recommendations by Line Item					
	Total	Personal Services	Operating	Utilities	FTE
Capitol Complex	\$7,903,935	\$2,682,558	\$1,703,575	\$3,517,802	53.2
Grand Junction	211,669	47,242	76,873	87,554	1.0
Camp George West	616,238	78,302	103,586	434,350	1.0
Proposed Consolidation	\$8,731,842	\$2,808,102	\$1,884,034	\$4,039,706	55.2

(D) Facilities Maintenance

(1) Capitol Complex Facilities

The Department of Personnel and Administration operates a facilities maintenance program at three distinct locations: (1) Denver; (2) Grand Junction; and (3) Camp George West. The department is responsible for over 1.2 million square feet throughout the state. Pursuant to Section 24-82-101, C.R.S., the Department is responsible for the maintenance of the buildings' plumbing, electrical, elevator, and HVAC (heating, ventilation, and air conditioning) systems, as well as custodial and grounds maintenance.

In Denver, the Department maintains ten addresses in what is termed 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.

Central Services, Capitol Complex Facilities: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2011-12 Recomm.
General Professional / Manager	3.7	4.7	4.7	4.7
Accounting	1.0	1.0	1.0	1.0
Architect	2.0	2.0	2.0	2.0
Custodian	11.4	12.0	12.0	12.0
Electrician	4.0	4.0	4.0	4.0
Structural / Pipe Trades / Material	19.4	18.5	18.5	18.5
Grounds and Nursery	2.8	3.0	3.0	3.0
Support / Clerical	<u>6.6</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
Total	50.9	53.2	53.2	53.2

Personal Services

The Department requests an appropriation of \$2,682,558 reappropriated funds and 53.2 FTE for FY 2010-11. This amount is based on a continuation level of funding from FY 2009-10, and includes the restoration of the 1.82 percent personal services based reduction (increases \$49,404 reappropriated funds) and a reduction of \$63,338 reappropriated funds to account for the 2.5 percent reduction in the State's PERA contribution rate. **Staff recommends an appropriation of \$2,682,558 reappropriated funds and 53.2 FTE for FY 2010-11.** The fund source is user fees that are transferred from other State agencies into the Department of Personnel Revolving Fund.

Operating Expenses

This line item provides operating funds for the Capitol Complex facilities. Staff has included two recommendations for the Committee's review, although only one (the \$140,000 transfer between line items) pertains to FY 2010-11. The additional spending authority to reimburse the federal government is a late request for FY 2009-10.

Late FY 2009-10 Supplemental - Nonprioritized Request

Department Request

The Department requests an additional \$48,949 reappropriated funds spending authority from the Capitol Complex Fund to reimburse the federal government for the remainder of its share of a \$2.3 million transfer to the General Fund for FY 2008-09.

Staff Recommendation

Staff recommends an additional \$48,949 reappropriated funds appropriation for FY 2009-10. The reappropriated fund source is the Capitol Complex Fund.

Background

The Capitol Complex Fund's revenue is derived from billings to various State agencies that use the Capitol Complex facilities. A portion of the Fund's balance is derived from federal funds that are billed for the costs of providing services to federal programs that are housed in the Capitol Complex buildings. Although the federal government permits federal funds to accrue as part of a cash fund balance, it does not permit its portion of the funds to be transferred to the General Fund for budget balancing purposes, and requests to be reimbursed for the portion of the transfer that is comprised of federal dollars.

During the 2009 session, the General Assembly passed S.B. 09-208, which transferred \$2.3 million from the Capitol Complex Fund (Section 24-30-1108, C.R.S.) to the General Fund for FY 2008-09 budget balancing purposes.¹ At the time, the JBC analyst appropriated an

¹ The Capitol Complex Fund is a subaccount within the Department of Personnel Revolving Fund (Section 24-30-1108, C.R.S.)

additional \$230,920 reappropriated funds spending authority for FY 2009-10, for the purpose of repaying the federal government for its portion of the transfer. The Department recently learned that the federal Division of Cost Allocation requires an additional \$48,949 to satisfy its reimbursement requirements. The federal government must be repaid for its portion of the transfer, or the State may start to incur interest on the amount.

Transfer \$140,000 from the Utilities line item to the Operating Expenses line item

Background

Over recent years the Department has replaced aging and energy-inefficient equipment and lighting, and it reports that these improvements will generate approximately \$250,000 in utility savings for FY 2009-10. A portion of the utilities savings was intended to offset maintenance costs, but the Department can't use it for this purpose because the savings generated by improved energy efficiency accrues within the Utilities line item, and the maintenance costs are funded by the Operating Expenses line item.

Staff Recommendation

Staff recommends **transferring \$140,000 reappropriated funds from the Utilities line item to the Operating Expenses line item** to pay for equipment maintenance. **There is no fiscal impact.**

Analysis

The Department provided staff with a detailed list of the equipment that requires ongoing maintenance (see Appendix B), as well as the potential consequences for not maintaining the equipment. Staff's analysis concludes that a long-term solution, with no fiscal impact to the State, is to transfer \$140,000 from the Utilities line item to the Operating Expenses line item, with the purpose of maintaining the equipment. **This is a cost-neutral action to allow the Department to more efficiently and effectively utilize its existing resources.** It is reasonable to anticipate that if the equipment is not maintained, the State will no longer benefit from the current utilities savings.

Operating Expenses

The Department requests \$1,794,502 reappropriated funds for FY 2010-11. **Staff recommends an appropriation of \$1,703,575 reappropriated funds for FY 2010-11.** Staff's recommendation differs from the Department's request because the Department's request did not annualize the one-time FY 2009-10 appropriation of \$230,920. At the time of the initial appropriation, the Department anticipated that \$230,920 would be sufficient to reimburse the federal government for its portion of the cash fund transfer. The Department's request also did not incorporate staff's recommended \$140,000 transfer from the Utilities line item to the Operating Expenses line item.

FY 2010-11 Recommendation: Capitol Complex, Operating Expenses	
Item	Reapprop. Funds
FY 2009-10 Long Bill	\$1,951,376
Late supplemental, funds for federal reimbursement	48,949
Supp. #8 - building maintenance reductions	(156,742)
Supp. #12 - mail equipment upgrade	(158)
FY 2010-11 Base Request	\$1,843,425
Transfer \$140,00 from Utilities line item	140,000
Supp. #12 - mail equipment upgrade	19
Annualize FY 2009-10 federal reimbursement	(279,869)
FY 2010-11 Recommendation	\$1,703,575

Capitol Complex Repairs

This appropriation supports those Capitol Complex repairs that are not funded in the base operating expenses appropriation, such as routine HVAC repairs in the Capitol Complex. The Department requests an appropriation of \$56,520 reappropriated funds, which is the same amount it has been appropriated since FY 2007-08. The funds represent lease payments transferred from other State agencies located in the Capitol Complex that are deposited into the Department of Personnel Revolving Fund. **Staff recommends that the Committee approve a total appropriation of \$56,520 reappropriated funds spending authority.**

Capitol Complex Security

This line item funds a portion of the contract security for the Capitol Complex's 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. The Department requests an appropriation of \$323,000 reappropriated funds for FY 2010-11. **Staff recommends an appropriation of \$323,220 reappropriated funds.** The reappropriated fund source is the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

S.B. 07-86 Fallen Heroes Memorials Construction Fund

Pursuant to Section 24-80-1402 (1) (a), C.R.S., the Fallen Heroes Memorial Commission is to oversee the construction of memorials near the Colorado Veterans Monument in Lincoln Park to commemorate the lives of Coloradans who died during certain military conflicts. The Construction Fund is intended to support the construction of the memorials.

In accordance with Section 24-80-1402 (3) (a) (II), C.R.S., the Fund's revenue is to be derived from gifts, grants, and donations. However, during the three years since its inception, the Fund has never received any gifts, grants, or donations. There is no indication that funds will materialize in the near future. For transparency purposes, **staff recommends that the FY 2010-11 Long Bill not include**

an appropriation or FTE for this line item because the funds do not exist to support an appropriation. This action **will not impact the Fund's existence or its ability to receive funds in the future.** Additionally, the General Assembly will still be able to appropriate moneys from the Fund once they become available. **Staff's intent is to improve the Long Bill's transparency and accuracy.**

Utilities

This line item funds utilities costs for the Capitol Complex. The Department requests an appropriation of \$3,657,802 reappropriated funds, which is a continuation level of spending authority from FY 2009-10. **Staff recommends an appropriation of \$3,517,802 reappropriated funds,** which is a continuation level of spending authority after transferring \$140,000 to the Operating Expenses line item.

Indirect Cost Assessment

The Department requests, and staff recommends, an appropriation of \$525,058 reappropriated funds for FY 2010-11. This recommendation is consistent with the Committee's prior approval of the statewide indirect cost recovery plan.

(D) Facilities Maintenance

(2) Grand Junction State Services Building

This section provides property and building management at the State Services Building in Grand Junction, Colorado. The building contains 34,499 square feet and will have nine tenants for FY 2009-10. It is staffed by 1.0 FTE responsible for building maintenance. Other functions, including some building maintenance, custodial services, and grounds maintenance are contracted to private vendors.

Personal Services

The Department requests an appropriation of \$47,242 reappropriated funds and 1.0 FTE. This amount is based on the FY 2009-10 Long Bill appropriation, and includes a reduction of \$1,217 to account for the 2.5 percent decrease in the employer's PERA contribution rate. **Staff recommends the Department's request for \$47,242 reappropriated funds and 1.0 FTE.**

Operating Expenses

The Department requests, and staff recommends, an appropriation of \$76,873 reappropriated funds. This is a continuation amount of funds from FY 2009-10.

Utilities

This appropriation supports utilities costs at the State Services Building in Grand Junction, Colorado. The Department requests an appropriation of \$87,554 reappropriated funds for FY 2010-11. **Staff recommends the Department's request for an appropriation of \$87,554 reappropriated funds for FY 2010-11.** This is a continuation amount of funds from FY 2009-10.

(D) Facilities Maintenance

(3) Camp George West

This section provides property and building management at Camp George West, which contains 285,755 square feet and is located in Golden, Colorado. Currently, the campus provides space for seven state departments. The Department of Personnel and Administration's responsibilities for the building are inclusive of all site and grounds maintenance.

Personal Services

The Department requests an appropriation of \$59,786 reappropriated funds and 1.0 FTE. **Staff recommends an appropriation of \$78,302 reappropriated funds and 1.0 FTE for FY 2010-11.**

The difference between the Department's request and staff's recommendation is because the Department applied the building maintenance reductions (\$18,516) to this line item, but the reduction should have been applied to the Operating Expenses line item. The recommendation also includes a reduction of \$1,339 to account for the statewide 2.5 percent reduction in the employer's PERA contribution rate.

Operating Expenses

The Department requests an appropriation of \$122,102 reappropriated funds. This request includes a reduction of \$44,817 to account for the one-time funds for noxious weed abatement for FY 2009-10. **Staff recommends an appropriation of \$103,586 reappropriated funds for FY 2010-11.** The difference between the Department's request and staff's recommendation is because staff further reduced the appropriation by \$18,516 to account for the supplemental / budget amendment for building maintenance reductions. The Department had applied this operating reduction to the Personal Services line item.

Utilities

This appropriation supports utilities costs at Camp George West, located in Golden. **The department requests, and staff recommends, an appropriation of \$434,350 reappropriated funds for FY 2010-11.** This is the same amount that was appropriated in the FY 2009-10 Long Bill.

(5) DIVISION OF ACCOUNTS AND CONTROL - 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: (1) statewide financial reporting; (2) providing policy and procedural guidance; (3) develop the Statewide Indirect Cost Allocation Plan (SWICAP); (4) operates the state's payroll system; (5) issues warrants; and (6) provides specialized accounting services to other state agencies.

FY 2010-11 Fund Sources

This Division is funded with: (1) rebates received from the Procurement Card Program; (2) statewide indirect cost recoveries; (3) cash funds from the Supplier Database Cash Fund; (4) collection fees that are assessed to individuals; and (5) General Fund.

Division of Accounts and Control, Office of the State Controller: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
State Controller	1.0	1.0	1.0	1.0
Auditing	0.0	2.0	2.0	2.0
Accounting/ Controllers	21.8	19.5	21.0	21.0
General Professional/ Management	5.0	6.0	6.0	6.0
Support / Clerical	<u>0.7</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	28.5	29.5	31.0	31.0

(A) Office of the State Controller

Personal Services

The Department requests \$2,454,819 and 33.0 FTE for the Office of the State Controller's Personal Services line item. **Staff recommends the Department's request for \$2,454,819 and 33.0 FTE, which includes \$742,675 General Fund, \$1,089,800 cash funds, and \$622,344 reappropriated funds.** The cash funds are from rebates received from the Procurement Card program, and the reappropriated funds are statewide indirect cost recoveries.

The Office of the State Controller is one of the few divisions that has General Fund appropriations within the Department. In order for the Department to generate General Fund savings for FY 2009-10 and FY 2010-11 budget balancing purposes, it reduced cash fund and reappropriated fund appropriations elsewhere within the Department, then transferred them to this Division to offset General Fund. This refinancing is reflected in the following table that illustrates outlines how the FY 2010-11 Personal Services appropriation was calculated.

FY 2010-11 Recommendation: Office of the State Controller, Personal Services					
Item	Total	General Fund	Cash Funds	Reapprop. Funds	FTE
FY 2009-10 Long Bill	\$2,405,853	\$1,182,128	\$1,043,722	\$180,003	27.5
American Recovery and Reinvestment Act (ARRA) funds for administrative costs	578,187	(200,558)	778,745		2.0
Furlough adjustment	(27,006)	57,472	(11,238)	(73,240)	0.0
Supplementals: Refinance General Fund with indirect cost recoveries from other divisions					
Supp. #1 - Eliminate communications unit	0	(64,419)	0	64,419	0.0
Supp. #2 - Eliminate Public Relations position	0	(53,359)	0	53,359	0.0
Supp. #4 - Eliminate talent management unit	0	(132,750)	0	132,750	0.0
Supp. #6 - Eliminate Admin II position in State Purchasing Office	0	(38,796)	38,796	0	0.0
Refinance with procurement card revenue	<u>0</u>	<u>(33,017)</u>	<u>33,017</u>	<u>0</u>	<u>0.0</u>
FY 2010-11 Base Request	\$2,957,034	\$716,701	\$1,883,042	\$357,291	29.5
Decision Item #1 - FTE reallocation	62,648	0	0	62,648	3.5
Reinstate 1.82% personal services reduction	44,059	44,059	0	0	0.0
Reinstate furlough reduction	27,006	(57,472)	11,238	73,240	0.0
Refinance operating reduction	0	(9,467)	0	9,467	0.0
Annualize refinancing General Fund with indirect cost recoveries from other divisions					
Annualize supp #1	0	(22,833)	0	22,833	0.0
Annualize supp #2	0	(42,725)	0	42,725	0.0
Annualize supp #4	0	(67,026)	0	67,026	0.0
Annualize ARRA funds	(578,187)	200,558	(778,745)	0	0.0
2.5 percent PERA reduction	<u>(57,741)</u>	<u>(19,120)</u>	<u>(25,735)</u>	<u>(12,886)</u>	<u>0.0</u>
FY 2010-11 Base Recommendation	\$2,454,819	\$742,675	\$1,089,800	\$622,344	33.0
Use procurement card rebate dollars to supplant statewide indirect cost recoveries that were applied elsewhere in the Department.	0	0	98,957	(98,957)	0
FY 2010-11 Final Recommendation	\$2,454,819	\$742,675	\$1,188,757	\$523,387	33.0

Operating Expenses

The Office of the State Controller requests an appropriation of \$109,993 General Fund for the Operating Expenses line item. This amount includes: (1) an annualization of the ARRA funds that were appropriated for FY 2009-10; (2) annualization of the mail equipment upgrade (\$106); and (3) a 5.0 percent operating expenses reduction (\$5,789). **Staff recommends that the Committee approve an appropriation of \$109,956 General Fund.** The \$37 difference between the Department's request and staff's recommendation is because staff and the Department annualized the mail equipment upgrade differently.

(B) State Purchasing Office

The State Purchasing Office manages statewide centralized procurement with duties that include: (1) the promulgation of the State's procurement rules; (2) managing the vendor BIDS system; (3) procurement education and leadership; and (4) administration of Statewide price agreements.

Personal Services

The Department requests, and staff recommends, an appropriation of \$794,393 cash funds and 13.0 FTE for FY 2010-11. The cash fund source is procurement card rebates. Staff's calculations are reflected in the following table.

FY 2010-11 Recommendation: State Purchasing Office, Personal Services		
Item	Cash Funds	FTE
FY 2009-10 Long Bill	\$856,836	9.0
ARRA funds	799,853	5.0
Supp. # 6 - Eliminate Admin position	(38,796)	(1.0)
Furlough adjustment	<u>(26,956)</u>	<u>0.0</u>
FY 2010-11 Base Request	\$1,590,937	13.0
Reinstate furlough adjustment	26,956	0.0
Annualize ARRA funds	(799,853)	0.0
2.5 percent PERA reduction	<u>(23,647)</u>	<u>0.0</u>
FY 2010-11 Recommendation	\$794,393	13.0

Operating Expenses

The Department requests \$277,000 cash funds for this line item, of which \$27,000 is to be funded by procurement card rebates, and \$250,000 is one-time spending authority to reimburse the federal government for its portion of a signing bonus that will be transferred to the General Fund for budget balancing purposes for FY 2010-11.

Budget Amendment: \$250,000 Spending Authority for Federal Reimbursement

Department Request: The Department requests an additional appropriation of \$250,000 cash funds spending authority for FY 2010-11. The moneys will be used to reimburse the federal government for its portion of a signing bonus that the State received for renewing its procurement card contract with JPMorgan Chase bank.

Staff Recommendation: Staff recommends the Department's request for an additional \$250,000 cash funds spending authority for FY 2010-11, for the purpose of reimbursing the federal government for its portion of a \$1.0 million signing bonus that the State negotiated with JP Morgan Chase bank. The State must reimburse the federal government for its portion of the money so that it can transfer the remainder of the signing bonus to the General Fund for budget balancing purposes. The reimbursement amount represents 25.0 percent of the anticipated \$1.0 million signing bonus, of which the Department estimates 20.0 percent is the federal participation rate and 5.0 percent is for interest to be owed to the federal government.

Background: The Procurement Card Program allows State agencies, departments, and institutions of higher education to purchase goods and services using a tax-exempt State credit card. The Department recently finalized another contract with JP Morgan Chase bank, and it is eligible to receive up to \$1.0 million if the State achieves \$190 million in statewide charge volume between April, 2010, and March, 2011.

Analysis: Staff notes that given the statewide 5.0 percent general operating reduction, it is possible that the State will not meet its spending threshold of \$190.0 million between April, 2010 and March, 2011. If the spending threshold is not met, the final rebate amount will be adjusted down from \$1.0 million.

- It is likely that the requested amount is greater than what the federal government will request for reimbursement. Staff believes **it is better to over-estimate the federal reimbursement amount because any unused dollars will transfer to the General Fund, but in the event that an insufficient amount is appropriated, the unpaid portion of the reimbursement will accrue interest** during the time that Department requests additional spending authority from the General Assembly. It is inevitable that the federal government must be reimbursed for its portion of the signing bonus, so it is fiscally prudent to avoid repaying additional interest charges.

- Staff recommends the Department's request.**

(C) Supplier Database

This program supports the Bids Information and Distribution System (BIDS) that allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). When the State issues requests for proposals (RFPs) or invites bids for goods or services, the Department uses the database to notify the appropriate businesses.

Vendors pay annual registration fees to be included in the BIDS database, and these fees are deposited into the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.). Moneys are appropriated from the Fund to support the program's activities.

Supplier Database Fees	
Time Period	Fee
1995 to September 1997 ^{a/}	\$25 - \$85
September 1997 to July 1998	\$75
July 1998 to January 2000	\$50
January 2000 to June 2008	\$30
FY 2008-09 to present	\$40
a/ The program charged \$25 for in-state vendors and \$85 for out-of-state vendors.	

Personal Services

The Department requests an appropriation of \$240,573 cash funds and 4.0 FTE. The cash funds source is the Supplier Database Cash Fund. **Staff recommends an appropriation of \$240,573 cash funds and 4.0 FTE for FY 2010-11.** Staff's calculations are included in the following table.

FY 2010-11 Recommendation: Supplier Database, Personal Services		
Item	Cash Funds	FTE
FY 2009-10 Long Bill	\$196,133	2.0
S.B. 09-099 Supplier database	63,384	1.0
FY 2010-11 Base Request	\$259,517	3.0
Annualize S.B. 09-099	52,162	1.0
OIT statewide IT staff consolidation	(69,780)	0.0
2.5 percent PERA reduction	<u>(1,326)</u>	<u>0.0</u>
FY 2010-11 Recommendation	\$240,573	4.0

Operating Expenses

The Department requests an appropriation of \$1,150,510 cash funds from the Supplier Database Cash Fund (created pursuant to Section 24-102-202.5 (2), C.R.S.). This request is based on the FY 2009-10 Long Bill appropriation, and includes an additional \$1,107,128 in accordance with S.B. 09-099. **Staff recommends an appropriation of \$1,150,510 cash funds for FY 2010-11.**

(D) Collections Services

Pursuant to Section 24-30-202.4, C.R.S., collections services is responsible for providing debt collection services for all of the state's agencies and political subdivisions. It collects on referred debt by utilizing 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, the office then has up to 120 days to collect the debt or to refer it to a private agency.

Division of Accounts and Control, Collections Services: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Accounting	4.0	4.0	4.0	4.0
General Professional	4.0	4.0	4.0	4.0
Collections Rep	8.0	8.0	8.0	8.0
Information Technology	0.0	1.0	1.0	1.0
Support / Clerical	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	19.0	20.0	20.0	20.0

Personal Services

The Department requests an appropriation of \$916,562 cash funds and 20.0 FTE. The cash fund source is the Debt Collection Fund (Section 24-30-202.4 (3) (e), C.R.S.). This amount is based on the FY 2009-10 Long Bill appropriation, and reinstates the FY 2009-10 1.82 percent personal services reduction (\$16,775). Staff's recommendation also reduces the appropriation by \$22,115 to account for the 2.5 percent PERA reduction. **Staff recommends the Department's request for an appropriation of \$916,562 cash funds and 20.0 FTE for FY 2010-11.**

Operating Expenses

This line item appropriation provides operating funds for the state-operated collections agency. The department requests \$349,085 cash funds, which is the same amount as the FY 2009-10 appropriation. **Staff recommends an appropriation of \$349,085 cash funds for FY 2010-11.** Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the cash fund source is the Debt Collections Fund.

Collections of Debts Due to the State

This line item funds a program that collects taxes and fees that are owed to the State. This money is then transferred to the Department of Revenue to offset tax debt. The Department requests a continuation level of funding, which is \$20,702 cash funds. **Staff recommends an appropriation of \$20,702 cash funds for FY 2010-11.** Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the cash fund source is the Debt Collections Fund.

Private Collection Agency Fees

This line item 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 Department requests an appropriation of \$1,200,000, which is a continuation level of funds from FY 2009-10. The Department further requests to recategorize \$821,889 of the appropriation from reappropriated funds to cash funds, pursuant to H.B. 08-1320. **Staff recommends an appropriation of \$1,200,000 cash funds for FY 2010-11.** The source of the cash funds are collection fees that are assessed to individuals, which are then deposited into the Debt Collections Fund (Section 24-30-202.4 (3) (e), C.R.S.).

Indirect Cost Assessment

The Department requests an appropriation of \$342,534 cash funds for FY 2010-11. This amount reflects the Department's initial request to recategorize certain reappropriated funds to cash funds. Staff's understanding is that the Department has since withdrawn this request. Furthermore, the dollars are categorized as reappropriated funds within the statewide indirect cost recovery plan. **Staff recommends an appropriation of \$342,534 reappropriated funds for FY 2010-11.**

(6) OFFICE OF ADMINISTRATIVE COURTS

The Colorado Office of Administrative Courts (OAC) provides an independent administrative law adjudication system for State agencies to resolve cases that concern: (1) worker's compensation; (2) public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); (3) professional licensing board work involving the denial, revocation, suspension or other discipline; (4) teacher dismissal cases; and (5) when a citizen has filed a complaint under the Fair Campaign Practices Act. The OAC operates at three locations: (1) the main office in Denver; (2) the Western Regional Office in Grand Junction; and (4) 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.

Office of Administrative Courts: Staff Summary				
Position	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.
Division Director	1.0	1.0	1.0	1.0
Administrative Law Judges	18.3	19.5	19.5	19.5
General Professional	4.9	5.0	5.0	5.0
Safety Security Officer	0.9	1.0	1.0	1.0
Support/Clerical	4.0	2.0	2.0	2.0
Technician	<u>10.8</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>
Total	39.9	40.0	40.0	40.0

Personal Services

The Department requests an appropriation of \$3,239,501 (\$27,261 cash funds and \$3,212,240 reappropriated funds) and 40.0 FTE for FY 2010-11. 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, pursuant to Section 24-30-1001 (3), C.R.S. **Staff recommends an appropriation of \$3,155,701 (\$27,261 cash funds and \$3,128,440 reappropriated funds) and 40.0 FTE for FY 2010-11.** The recommendation is based on the FY 2009-10 Long Bill, then adds \$2,000 for H.B. 09-1320, and increases the amount by an additional \$83,800 to reinstate the 1.82 percent personal services reduction for FY 2009-10. The recommendation also includes a reduction of \$76,616 for the 2.5 percent reduction in the employer's PERA contribution rate for FY 2010-11.

Operating Expenses

The Department requests an appropriation of \$134,597 reappropriated funds for FY 2010-11. **Staff recommends the Department's request**, and the calculations are included in the following table. The reappropriated funds source is fees from other State agencies that are deposited into the Administrative Courts Cash Fund, pursuant to Section 24-30-1001 (3), C.R.S.

FY 2010-11 Recommendation: Administrative Courts, Operating Expenses	
Item	Reapprop. Funds
FY 2009-10 Long Bill	\$146,352
H.B. 09-1150	(5,460)
FY 2010-11 Base Request	\$140,892
Annualize OAC staffing adjustments	(5,228)
Annualize mail equipment upgrade	<u>(1,067)</u>
FY 2010-11 Recommendation	\$134,597

Indirect Cost Assessment

The department requests, and staff recommends, and appropriation of \$258,320 reappropriated funds for FY 2010-11. This amount is consistent with the Statewide Indirect Cost Plan.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Long Bill Footnotes

Staff recommends that the following footnotes be **modified for FY 2009-10**. *Please note* that these footnotes are from the Office of the Governor (7c), the Department of Personnel and Administration (41a), and the Treasury Department (48a).

7c Department of Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting, Operating Expenses -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended ~~prior to July 1, 2010~~, may be further rolled forward for expenditure ~~in FY 2010-11~~ INTO FY 2010-11 AND FY 2011-12.

41a Department of Personnel and Administration, Executive Director's Office, Department Administration, Personal Services and Operating Expenses; and Statewide Special Purpose, Colorado State Archives, Operating Expenses; Division of Human Resources, Human Resource Services, State Agency Services, Personal Services and Operating Expenses; Constitutionally Independent Entities, Personnel Board, Operating Expenses; Division of Accounts and Control - Controller, Office of the State Controller, Personal Services and Operating Expenses; and State Purchasing Office, Personal Services and Operating Expenses -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended ~~prior to July 1, 2010~~, may be further rolled forward for expenditure ~~in FY 2010-11~~ INTO FY 2010-11 AND FY 2011-12.

48a Department of the Treasury, Administration, Personal Services and Operating Expenses -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended ~~prior to July 1, 2010~~, may be further rolled forward for expenditure ~~in FY 2010-11~~ INTO FY 2010-11 AND FY 2011-12.

Comment: These footnotes were added to the 2010 supplemental bills for the purpose of allowing roll forward spending authority for the American Recovery and Reinvestment Act (ARRA) funds in these three departments. However, a technical error provided roll forward spending authority for one year only. **The Department requests that the footnotes be amended to specify roll forward authority through FY 2011-12**. Staff recommends the Department's request.

Requests for Information

Staff recommends that the Committee submit the following new requests for information:

- N Department of Personnel and Administration, Division of Central Services, Facilities Maintenance** -- The Department is requested to provide a report that details the expenditures at the Capitol Complex, Grand Junction, and Camp George West facilities. The report should provide data for the prior three fiscal years, as well as an estimate for the current fiscal year. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
- N Department of Personnel and Administration, Division of Central Services** -- The Department is requested to provide a report about its use of the 20.0 percent contingency spending authority that is included in various line items within the Division of Central Services. This report is requested to include a description of the amount of contingency funds that the Department utilized during the prior fiscal year, and for what purpose. The Department is also requested to re-calculate the 20.0 percent contingency according to the updated FY 2011-12 base appropriation. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.

Staff recommends the following request for information be discontinued:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel, Human Resource Services -- The Department shall comply with the statutory provisions of Section 24-50-110 (1)(d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2009. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2008-09. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

Comment: The Office of State Planning and Budgeting and the Department of Personnel and Administration have not provided this report for the prior two years. Staff has received pieces

of the information throughout the year, so it is reasonable to assume that the Executive Branch could provide the majority of the information in a consolidated report by September, 2010. However, the OSPB has declined to provide the report for the prior two years, and staff is not aware of any change in circumstances to indicate that this practice would change for 2010.

It is unclear to staff as to whether this request for information is meeting the Committee's needs. Prior to re-submitting this request or preparing a new one, **staff would like the Committee to clarify the specific information that it wants to obtain, as well as any information that it wants staff to compile, analyze, and/or present to the Committee during the Department's FY 2011-12 budget briefing presentation.** Staff's interest is to obtain and present the information that the Committee finds valuable.

Appendix A: Capitol Complex Budget Drivers (Denver, Grand Junction, Camp George West)

	FY 2005-06			FY 2006-07			FY 2007-08			FY 2008-09			FY 2009-10 (est.)		
	Capitol Complex	Grand Junction	Camp George West	Capitol Complex	Grand Junction	Camp George West	Capitol Complex	Grand Junction	Camp George West	Capitol Complex	Grand Junction	Camp George West	Capitol Complex	Grand Junction	Camp George West
Personal Services															
Long Bill	\$2,599,792	\$43,499	\$59,835	\$2,562,661	\$44,697	\$61,572	\$2,601,617	\$45,336	\$64,565	\$2,667,077	\$47,003	\$66,232	\$2,695,992	\$48,459	\$79,641
Long Bill + Pots	2,835,920	45,801	67,784	2,709,026	49,909	81,204	2,898,883	49,004	82,542	3,003,741	55,691	90,905	3,029,337	60,232	91,446
Long Bill FTE approp	53.2	1.0	1.0	53.2	1.0	1.0	53.2	1.0	1.0	53.2	1.0	1.0	53.2	1.0	1.0
Operating															
Custodial	\$869,983	\$53,668	\$14,941	\$827,444	\$53,741	\$14,530	\$844,626	\$54,126	\$23,370	\$865,678	\$52,655	\$21,366	\$865,678	\$52,655	\$21,366
Grounds	130,630	4,745	49,207	123,100	4,635	70,687	134,479	5,365	55,727	176,854	6,485	74,679	176,854	6,485	74,679
Maintenance	155,441	6,259	0	164,023	6,404	0	166,173	6,884	0	162,595	6,928	0	162,595	6,928	0
<i>Sub-total</i>	<i>\$1,156,054</i>	<i>\$64,673</i>	<i>\$64,148</i>	<i>\$1,114,568</i>	<i>\$64,781</i>	<i>\$85,217</i>	<i>\$1,145,278</i>	<i>\$66,375</i>	<i>\$79,097</i>	<i>\$1,205,128</i>	<i>\$66,068</i>	<i>\$96,045</i>	<i>\$1,205,128</i>	<i>\$66,068</i>	<i>\$96,045</i>
Additional Services	\$221,026	\$8,567	\$54,454	\$294,867	\$9,161	\$26,345	\$275,635	\$7,923	\$32,692	\$222,424	\$6,492	\$15,926	\$222,575	\$6,492	\$15,926
Commodities	\$260,386	\$3,633	\$3,500	\$228,031	\$2,932	\$10,540	\$216,554	\$2,575	\$10,313	\$209,914	\$4,313	\$10,131	\$294,914	\$4,313	\$10,139
Other Adjustments			\$42,083			\$44,179				\$85,000			\$228,759		\$44,179
Total	\$1,637,466	\$76,873	\$164,185	\$1,637,466	\$76,873	\$166,281	\$1,637,466	\$76,873	\$122,102	\$1,722,466	\$76,873	\$122,102	\$1,951,376	\$76,873	\$166,289
Utilities															
<i>Electricity</i>															
kWh Used	29,950,630	801,280	2,156,796	29,002,230	751,040	2,045,249	29,742,226	831,200	2,176,474	29,484,224	805,440	2,122,892	27,484,486	821,600	2,112,173
Cost Per Kwh	<u>\$0.0681</u>	<u>\$0.0747</u>	<u>\$0.0808</u>	<u>\$0.0638</u>	<u>\$0.0717</u>	<u>\$0.0776</u>	<u>\$0.0653</u>	<u>\$0.0724</u>	<u>\$0.0800</u>	<u>\$0.0723</u>	<u>\$0.0783</u>	<u>\$0.0894</u>	<u>\$0.0820</u>	<u>\$0.0843</u>	<u>\$0.0933</u>
Annual Cost	\$2,040,064	\$59,865	\$174,349	\$1,850,856	\$53,833	\$158,706	\$1,940,701	\$60,219	\$174,127	\$2,133,075	\$63,094	\$189,785	\$2,254,097	\$69,236	\$197,055
<i>Natural Gas</i>															
Therms Used	156,203	9,642	152,143	168,328	10,780	165,902	184,142	23,848	152,772	159,133	18,899	142,664	190,103	19,248	164,566
Cost Per Therm	<u>\$1.0284</u>	<u>\$1.0927</u>	<u>\$1.0469</u>	<u>\$0.7920</u>	<u>\$0.8162</u>	<u>\$0.8104</u>	<u>\$0.8156</u>	<u>\$0.8390</u>	<u>\$0.8513</u>	<u>\$0.6895</u>	<u>\$0.7630</u>	<u>\$0.7771</u>	<u>\$0.7132</u>	<u>\$0.7322</u>	<u>\$0.7535</u>
Annual Cost	\$160,644	\$10,535	\$159,281	\$133,310	\$8,799	\$134,451	\$150,191	\$20,009	\$130,060	\$109,718	\$14,420	\$110,866	\$135,582	\$14,094	\$124,007
<i>Steam (Denver)</i>															
MLBS Used	22,947			21,940			23,855			18,969			21,531		
Cost Per MLBS	<u>\$9.43</u>			<u>\$14.84</u>			<u>\$6.37</u>			<u>\$7.35</u>			<u>\$3.87</u>		
Annual Cost	\$216,404			\$325,581			\$152,004			\$139,438.82			\$83,295.76		
<i>Water & Sewer</i>															
Gallons Used	31,486,470	696	14,619	27,734,187	740	18,391	27,706,936	776	15,215	27,078,159	729	81,831	22,467,099	687	118,908
Cost Per Gallon	<u>\$0.0056</u>	<u>\$4.6414</u>	<u>\$5.1649</u>	<u>\$0.0054</u>	<u>\$4.5006</u>	<u>\$4.9116</u>	<u>\$0.0056</u>	<u>\$4.7357</u>	<u>\$5.4066</u>	<u>\$0.0061</u>	<u>\$5.0304</u>	<u>\$1.1252</u>	<u>\$0.0061</u>	<u>\$5.2606</u>	<u>\$0.7425</u>
Annual Cost	\$176,217	\$3,230	\$75,506	\$148,645	\$3,330	\$90,329	\$156,048	\$3,675	\$82,262	\$166,370	\$3,667	\$92,080	\$137,699	\$3,614	\$88,293
<i>Storm Drainage</i>															
Annual Cost	<u>\$28,554</u>			<u>\$29,253</u>			<u>\$29,253</u>			<u>\$29,253</u>			<u>\$29,253</u>		
Total Utilities	\$2,621,883	\$73,631	\$409,136	\$2,487,646	\$65,962	\$383,485	\$2,428,197	\$83,903	\$386,449	\$2,577,855	\$81,181	\$392,730	\$2,639,927	\$86,944	\$409,355
Perf Contracting	\$671,898			\$1,094,783			\$1,289,841			\$727,990			\$895,388		
NC CCD Bldg Appropriation	\$3,418,516	\$85,758	\$427,480	\$3,742,802	\$87,554	\$434,350	\$3,742,802	\$87,554	\$434,350	\$3,657,802	\$87,554	\$434,350	\$3,732,802	\$87,554	\$434,350
													\$197,487		
Other Drivers															
Base Square Footage	914,760	34,499	285,755	914,760	34,499	285,755	914,760	34,499	285,755	913,685	34,499	285,755	946,211	34,499	296,077
Potential Adjustments										32,526		10,322	9,617		
Security Needs	\$260,379			\$260,379			\$289,484			\$304,163			\$323,000		
VFD/Compressors	\$56,520			\$56,520			\$56,520			\$56,520			\$56,520		
Indirect Cost	\$292,532	\$9,336	\$9,336	\$408,565	\$13,039	\$13,039	\$354,809	\$11,324	\$11,324	\$257,494	\$8,218	\$8,218	\$408,956	\$13,052	\$13,052

Appendix B: \$140,000 Transfer from Utilities to Operating Expenses Line Item: Use of Funds for Equipment Maintenance

Location	Estimated Cost	Equipment Description	Maintenance Required	Ramifications of NOT Doing Maintenance
Mult Bldgs (Grant, Power Plant, Capitol, Pierce, 690 Kipling)	\$75,272	(LEED) Heat Sink flat plates precool the air to the buildings by using evaporative cooling to reduce the air temperature coming into the main chillers, thus causing the chillers to not work as hard to cool the air, and therefore reducing utility expenses.	Annual maintenance, which requires disassembling components, cleaning the interior of the units, and reassembling them. This task is complex, and requires technical expertise, which the state does not possess, therefore creating the need for an outside vendor who is familiar with the system and can take on the heavy liability if the components are not properly reassembled.	After a certain amount of time, if these flat plates are not cleaned on an annual basis, the chillers they support will have to run longer to compensate for the warmer air passing through the system, thus dramatically increasing utility usage and negating the primary reason these heat sinks were installed for in the first place.
Mult Bldgs (Grant, Power Plant, Pierce, SSB, Residence)	\$15,000	(LEED) The addition of 11 new boilers throughout the complex to increase adequate and consistent heating	These new boilers require annual and ongoing maintenance to the internal components in order to ensure optimal efficiency.	Equipment failure and inability to heat buildings resulting in reduced state employee productivity, and possibly an interruption of state business/operations if the buildings need to be shut down for emergency boiler repairs.
Mansion	\$15,000	(LEED) A heat pump is a piece of equipment used to supply heating and/or cooling to a building or area. These were added to the Mansion as part of the ground source heat pump project.	These heat pump requires annual and ongoing maintenance to the internal components in order to ensure optimal efficiency.	These pumps are the sole source of heating/cooling in some areas of the residence.
690 Kipling	\$2,000	CRAC units (3 additional added) are water fan coil units used to cool the primary State server farm, which is the State's IT foundation.	Clean, maint, belts, filters, parts.	Interrupt state business and statewide computer network shutdown and the potential damage to IT equipment.
690 Kipling	\$2,000	This cooling system is a vital part of keeping the state server farm within the required temperature tolerances.	Requires cleaning, new belts, screens, parts, and specialty equipment for cleaning and repairs.	Interrupt state business and statewide computer network shutdown and the potential
Power Plant	\$2,500	Pneumatic air for the central heating and cooling systems for all downtown bldgs.	Maintenance, clean, oil changes, parts, labor, autobleeds replacement.	Risks central heating and cooling plant will not operate thus affecting state agencies program
Mult Bldgs (Cent, Annex, Power Plant, Capitol, SOB, SSB, HSB)	\$3,000	A primary safety device used to control the steam pressure to the domestic hot water and heating systems.	Clean and adjust pressure settings on an annual basis	Risk personnel injury, major equipment failure. Calibrate, repair, replacement costs
690 and 700 Kipling St.	\$1,000	Rooftop heating and cooling unit.	Requires filters, belts, valves, motor replacement, cleanings, labor for programming.	Risks no heating/cooling, health issues (provides fresh air supply for bldgs)
All Bldgs	\$16,000	(LEED) Interior and exterior lighting, HVAC energy management systems.	Require parts, calibrations, programming, labor	Risks equipment failure, increased energy costs, inability to control systems impacting programmatic delivery.
Pierce, Mansion, Capitol	\$8,000	(LEED) Solar panels are used to supplement utility usage in the building.	Clean, parts as needed, labor, unit inverter replacement.	Risks increased utility costs and usage due to lack of production from the panels.
Total	\$139,772			