

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2009-10 STAFF FIGURE SETTING:**

### **DEPARTMENT OF PERSONNEL AND ADMINISTRATION**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

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

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

This division provides policy direction to and manages the fiscal and budgetary affairs of all divisions within the Department. It also reviews all statewide contracts, investigates and resolves appeals made to the Personnel Director regarding agency actions, and promotes statewide affirmative action and equal opportunity programs. The primary source of cash funds and reappropriated funds are from indirect cost recoveries from other divisions throughout the Department and from user fees from other state agencies.

**(A) Department Administration**

DI-13

Personal Services	1,601,478	1,648,595	1,663,416 S	1,819,883	1,819,883	
FTE	<u>18.5</u>	<u>18.6</u>	<u>21.5</u>	<u>21.5</u>	<u>21.5</u>	
Cash Funds Exempts / Reappropriated Funds	1,601,478	1,648,595	1,663,416 S	1,819,883	1,819,883	
Health, Life, and Dental	<u>1,665,725</u>	<u>1,943,979</u>	<u>1,847,890</u>	<u>2,124,061</u>	<u>2,124,061</u>	
General Fund	479,246	427,606	646,399	617,961	445,250	
Cash Funds	9,096	61,693	0	0	9,532	
Cash Funds Exempts / Reappropriated Funds	1,177,383	1,454,680	1,201,491	1,506,100	1,669,279	
Short-term Disability	<u>31,206</u>	<u>0</u>	<u>28,704</u>	<u>29,360</u>	<u>30,885</u>	
General Fund	6,043	0	3,661	10,903	8,497	
Cash Funds	965	0	0	0	1,923	
Cash Funds Exempts / Reappropriated Funds	24,198	0	25,043	18,457	20,465	
S.B. 04-257 Amortization Equalization Disbursement	<u>149,831</u>	<u>364,549</u>	<u>352,343</u>	<u>451,690</u>	<u>396,683</u>	
General Fund	42,825	38,403	44,125	167,732	107,809	
Cash Funds	9,368	15,338	0	0	24,816	
Cash Funds Exempts / Reappropriated Funds	97,638	310,808	308,218	283,958	264,058	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>74,805</u>	<u>164,427</u>	<u>282,307</u>	<u>246,785</u>	
General Fund	0	6,857	19,950	105,109	66,239	
Cash Funds	0	3,195	0	0	15,510	
Cash Funds Exempts / Reappropriated Funds	0	64,753	144,477	177,198	165,036	
Salary Survey and Senior Executive Service	<u>848,161</u>	<u>1,013,181</u>	<u>831,885</u>	<u>0</u>	<u>0</u>	
General Fund	284,213	351,590	389,908	0	0	
Cash Funds	4,537	26,547	0	0	0	
Cash Funds Exempts / Reappropriated Funds	559,411	635,044	441,977	0	0	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Performance-based Pay	<u>0</u>	<u>452,091</u>	<u>325,410</u>	<u>0</u>	<u>0</u>	
General Fund	0	147,658	141,466	0	0	
Cash Funds	0	12,621	0	0	0	
Cash Funds Exempts / Reappropriated Funds	0	291,812	183,944	0	0	
Shift Differential - Cash Funds Exempt / Reappropriated Funds	60,659	0	39,126	34,766	37,736	
Workers' Compensation	<u>285,475</u>	<u>229,279</u>	<u>205,462</u>	<u>205,906</u>	<u>Pending</u>	SWDI-Ombuds Program (DPA DI-7)
General Fund	73,435	58,979	61,346	61,465		
Cash Funds	1,579	1,268	0	2		
Cash Funds Exempts / Reappropriated Funds	210,461	169,032	144,116	144,439		
Operating Expenses	<u>99,657</u>	<u>99,698</u>	<u>99,842</u>	<u>107,612</u>	<u>107,612</u>	
General Fund	0	0	0	7,770	0	SWDI-Mail and Postage Increase (DPA DI-5 & 8)
Cash Funds Exempts / Reappropriated Funds	99,657	99,698	99,842	99,842	107,612	
Legal Services	249,783	369,193	359,322 S	296,270	Pending	
Hours	<u>3,686</u>	<u>5,126</u>	<u>4,785</u>	<u>3,945</u>	<u>3,021</u>	
General Fund	202,194	324,182 a/	309,855 S	246,803		
Cash Funds Exempts / Reappropriated Funds	47,589	45,011	49,467	49,467		
Administrative Law Judge Services	<u>582</u>	<u>2,511</u>	<u>2,633</u>	<u>2,880</u>	<u>Pending</u>	
General Fund	0	0	0	0		
Cash Funds Exempts / Reappropriated Funds	582	2,511	2,633	2,880		
Purchase of Services from Computer Center	<u>3,857,882</u>	<u>3,053,344</u>	<u>2,294,353</u>	<u>2,294,353</u>	<u>Pending</u>	
General Fund	2,995,195	2,357,487	947,875	947,875		
Cash Funds	0	0	0	0		
Cash Funds Exempts / Reappropriated Funds	862,687	695,857	1,346,478	1,346,478		
Multiuse Network Payments - CFE / RF	36,257	101,764	67,547	67,547	Pending	
Management and Administration of OIT	<u>0</u>	<u>0</u>	<u>57,291</u> S	<u>60,127</u>	<u>Pending</u>	
General Fund	0	0	15,658 S	16,433		
Cash Funds	0	0	292 S	306		
Cash Funds Exempts / Reappropriated Funds	0	0	41,341 S	43,388		
Payment to Risk Management and Property Funds	<u>1,068,603</u>	<u>560,892</u>	<u>651,845</u>	<u>651,845</u>	<u>Pending</u>	
General Fund	274,885	144,283	194,582	194,582		
Cash Funds	5,910	3,102	0	0		
Cash Funds Exempts / Reappropriated Funds	787,808	413,507	457,263	457,263		
Vehicle Lease Payments	<u>124,538</u>	<u>103,446</u>	<u>43,315</u>	<u>52,015</u>	<u>Pending</u>	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
General Fund	174	174	2,118	2,118		
Cash Funds Exempts / Reappropriated Funds	124,364	103,272	41,197	49,897		
Leased Space	<u>1,189,812</u>	<u>1,431,706</u>	<u>1,279,762</u> S	<u>1,275,332</u>	<u>1,270,593</u>	
General Fund	459,521	482,497	434,813	425,548	414,298	
Cash Funds	16,346	17,163	17,163	17,163	17,163	
Cash Funds Exempts / Reappropriated Funds	713,945	932,046	827,786 S	832,621	839,132	
Capitol Complex Leased Space	<u>1,153,033</u>	<u>1,195,160</u>	<u>809,098</u>	<u>830,653</u>	<u>Pending</u>	
General Fund	539,826	571,387	559,100	562,085		
Cash Funds Exempts / Reappropriated Funds	613,207	623,773	249,998	268,568		
Communications Services Payments	<u>0</u>	<u>849</u>	<u>887</u>	<u>887</u>	<u>Pending</u>	
General Fund	0	849	887	887		
Cash Funds Exempts / Reappropriated Funds	0	0	0	0		
Test Facility Lease - General Fund	116,475	119,842	119,842	0	0	DI-13
Employment Security Contract Payment	<u>17,233</u>	<u>17,033</u>	<u>17,400</u>	<u>0</u>	<u>0</u>	DI-13
General Fund	10,722	10,709	10,889	0	0	DI-13
Cash Funds Exempts / Reappropriated Funds	6,511	6,324	6,511	0	0	DI-13
Employees Emeritus Retirement - General Fund	9,379	7,122	7,290 S	0	0	DI-13
HIPAA - Security Remediation	215,718	181,474	227,638	202,769	202,769	
FTE	<u>1.6</u>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	72,403	71,246	72,520	82,651	82,651	
Cash Funds Exempts / Reappropriated Funds	143,315	110,228	155,118	120,118	120,118	
Governor's Transition - General Fund	10,000	0	0	0	0	
<b>(B) Statewide Special Purpose</b>						DI-13
<b>(1) Colorado State Employees Assistance Program <sup>b/</sup></b>						DI-13
Personal Services - CFE / RF	288,732	298,474		694,732	631,347	DI-13, DI-7
FTE	4.5	4.1		11.0	10.0	DI-13, DI-7
Operating Expenses - CFE / RF	35,610	36,306		59,341	52,976	DI-13, SWDI-Mail and Postage Increase, DI-7
Indirect Cost Assessment - CFE / RF	50,698	63,788		112,816	112,816	DI-13
<b>(2) Office of the State Architect <sup>c/</sup></b>	505,064	514,170	0	518,728	518,728	DI-13

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
FTE	<u>5.6</u>	<u>5.6</u>		<u>6.0</u>	<u>6.0</u>	DI-13
General Fund	248,308	514,170		518,728	518,728	DI-13
Cash Funds	134,673	0		0	0	DI-13
Cash Funds Exempts / Reappropriated Funds	122,083	0		0	0	DI-13
<b>(3) Colorado State Archives <sup>d/</sup></b>						
Personal Services	448,706	485,687	0	538,085	538,085	DI-13
FTE	<u>8.0</u>	<u>8.0</u>		<u>8.5</u>	<u>8.5</u>	DI-13
General Fund	351,462	362,965		433,373	433,373	DI-13
Cash Funds	79,064	78,669		93,811	93,811	DI-13
Cash Funds Exempt / Reappropriated Funds	18,180	44,053		10,901	10,901	DI-13
Operating Expenses	<u>48,948</u>	<u>56,794</u>	<u>0</u>	<u>56,794</u>	<u>47,082</u>	DI-13
General Fund	48,948	56,794		56,794	25,294	
Cash Funds	0	0		0	17,904	
Cash Funds Exempt / Reappropriated Funds	0	0		0	3,884	
<b>(4) Other Statewide Special Purpose <sup>e/</sup></b>						
Test Facility Lease - General Fund	116,475	119,842		119,842	119,842	DI-13
Employment Security Contract Payment	<u>17,233</u>	<u>17,033</u>	<u>0</u>	<u>17,400</u>	<u>17,400</u>	DI-13
General Fund	10,722	10,709		10,889	10,889	DI-13
Cash Funds Exempts / Reappropriated Funds	6,511	6,324		6,511	6,511	DI-13
Employees Emeritus Retirement - General Fund	9,379	7,122		11,370	7,290	DI-13
						Request vs. Appropriation
<b>TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE</b>	12,791,487	12,970,513	11,496,728	12,919,371	8,282,573	12.8%
FTE	<u>20.1</u>	<u>20.6</u>	<u>22.5</u>	<u>48.0</u>	<u>47.0</u>	<u>25.5</u>
General Fund	5,576,536	5,120,871	3,982,284	4,600,918	2,240,160	17.7%
Cash Funds	47,801	140,927	17,455	111,282	180,659	548.4%
Cash Funds Exempt / Reappropriated Funds	7,167,150	7,708,715	7,496,989	8,207,171	5,861,754	9.0%

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

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

The actual and appropriation amounts are summed below in the Division of Human Resources.

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

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
<p>The Department has submitted a request (DI-13) to move this program under the Executive Director's Office starting with FY 2009-10 and re-name the program to "Colorado State Archives". The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do <u>not</u> add to the total for the Executive Director's Office. The actual and appropriation amounts are summed below in the Information and Archival Services division.</p> <p><sup>e/</sup> The Department requests (through DI-13) the creation of a subsection within the Executive Director's Office titled "Other Statewide Special Purpose". The lines included within this subsection are lines that already existed within the Executive Director's Office. The numbers for FY 2006-07 Actual, FY 2007-08 Actual, and FY 2008-09 Appropriation are listed for informational purposes only and do <u>not</u> add to the total for the Executive Director's Office. The actual and appropriation amounts are summed above in the EDO, Departmental Administration section.</p>						
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<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<p>This division is responsible for the administration of the statewide classified personnel system, which includes approximately 31,138 employees, excluding the Department of Higher Education. It also administers the employee benefits programs (such as group health and dental benefits), manages statewide systems for payroll and basic employee information, and operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies. The primary sources of cash funds include the Deferred Compensation Fund, the Defined Contribution Fund, and payments from state enterprises for risk management services. The primary sources of cash funds exempt include the Risk Management Fund, the Self-Insured Property Fund, the Benefits Administration Fund, transfers from other state agencies, and indirect cost recoveries from other divisions within the Department.</p>						
<b>(A) Human Resource Services</b>						
<b>(1) State Agency Services</b>						
Personal Services	1,924,013	1,921,842	1,950,948 S	2,127,164	2,037,450	
FTE	<u>24.7</u>	<u>22.6</u>	<u>27.2</u>	<u>27.2</u>	<u>26.2</u>	
Cash Funds Exempts / Reappropriated Funds	1,924,013	1,921,842	1,950,948 S	2,127,164	2,037,450	
Operating Expenses	<u>87,969</u>	<u>83,435</u>	<u>80,943</u>	<u>88,873</u>	<u>88,873</u>	
General Fund	0	0	0	411	0	SWDI-Mail and
Cash Funds Exempts / Reappropriated Funds	87,969	83,435	80,943 S	88,462	88,873	Postage Increase (DPA DI-5 & 8)
<b>(2) Training Services</b>						
Personal Services	42,942	57,142	0	70,097	0	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	DI-2
Cash Funds	25,572	25,444	0	0	0	
Cash Funds Exempts / Reappropriated Funds	17,370	31,698	0	70,097	0	
Operating Expenses	<u>12,880</u>	<u>16,191</u>	<u>123,837</u> S	<u>78,980</u>	<u>268,694</u>	
Cash Funds	0	0	70,893 S	45,214	146,572	
Cash Funds Exempts / Reappropriated Funds	12,880	16,191	52,944 S	33,766	122,122	
Indirect Cost Assessment - CFE / RF	31,309	35,034	0	0	0	
<b>(3) Colorado State Employees Assistance Program</b>						
Personal Services - CFE / RF	288,732	298,474	550,735 S	0	0	DI-13
FTE	4.5	4.1	10.0	0.0	0.0	DI-13

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Operating Expenses - CFE / RF	35,610	36,306	71,828	0	0	DI-13
Indirect Cost Assessment - CFE / RF	50,698	63,788	162,295	0	0	DI-13 Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (A) Human Resource Services Section</b>	2,474,153	2,512,212	2,940,586	2,365,114	2,395,017	-22.2%
FTE	<u>29.2</u>	<u>26.7</u>	<u>37.2</u>	<u>28.2</u>	<u>26.2</u>	<u>(9.0)</u>
General Fund	0	0	0	411	0	n/a
Cash Funds	25,572	25,444	70,893	45,214	146,572	0.0%
Cash Funds Exempt / Reappropriated Funds	2,448,581	2,486,768	2,869,693	2,319,489	2,248,445	-22.6%
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>(B) Employee Benefits Services</b>						
Personal Services	821,620	857,870	952,805 S	986,151	992,401	
FTE	<u>10.3</u>	<u>11.1</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	
General Fund	0	0	0 S	21,883	0	
Cash Funds	0	0	942,649 S	920,766	948,899	
Cash Funds Exempts / Reappropriated Funds	821,620	857,870	10,156	43,502	43,502	
Operating Expenses	<u>47,776</u>	<u>48,217</u>	<u>122,725</u> S	<u>123,579</u>	<u>117,329</u>	
General Fund	0	0	0 S	70,500	0	SWDI-Mail and
Cash Funds	0	0	122,725 S	52,225	116,475	Postage Increase
Cash Funds Exempts / Reappropriated Funds	47,776	48,217	0	854	854	(DPA DI-5 & 8)
Utilization Review - CF		0	40,000	40,000	40,000	
Utilization Review - CFE / RF	40,000	40,000	0	0	0	
Deferred Compensation Plans - CFE / RF	78,827	84,475	84,500	84,500	84,500	
Deferred Compensation Administration (TPA) - CFE / RF	601,546	681,999	682,000	682,000	682,000	
Defined Contribution Plans - CFE / RF	11,209	10,625	11,226	11,226	11,226	
Deferred Compensation Plan and Defined Contribution Plans						
Performance Audits - CFE / RF	0	123,750	0	0	0	
H.B. 07-1335 Pilot Disease Management Program - CF		0	0	0	0	
H.B. 07-1335 Pilot Disease Management Program - CFE / RF	0	36,570	0	0	0	
S.B. 07-97 Supplemental State Contribution Fund - CFE	0	0	0	0	0	



	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
H.B. 07-1335 Supplemental State Contribution Fund - Cash Funds	0	0	1,739,729	1,739,729	1,739,729	
Indirect Cost Assessment - CFE / RF	119,766	98,315	210,609	314,180	314,180	Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (B) Employee Benefits Services</b>	1,720,744	1,981,821	3,843,594	3,981,365	3,981,365	3.6%
FTE	<u>10.3</u>	<u>11.1</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>
General Fund	0	0	0	92,383	0	0.0%
Cash Funds	0	0	2,845,103	2,752,720	2,845,103	0.0%
Cash Funds Exempt / Reappropriated Funds	1,720,744	1,981,821	998,491	1,136,262	1,136,262	13.8%
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>(C) Risk Management Services</b>						
Personal Services - CFE / RF	579,219	598,063	575,333 S	659,211	659,211	
FTE	8.0	8.2	9.0	9.0	9.0	
Operating Expenses - CFE / RF	50,563	56,866	57,104	57,311	57,311	SWDI-Mail and Postage Increase (DPA DI-5 & 8)
Audit Expense - CFE / RF	0	0	0	0	0	
Legal Services - CFE / RF	2,415,921	2,687,622	2,392,686	2,392,686	<u>Pending</u>	
Hours	35,649	37,313	31,860	31,860	31,860	
Liability Premiums	<u>4,540,332</u>	<u>4,951,379</u>	<u>8,977,137</u>	<u>8,977,137</u>	<u>Pending</u>	
Cash Funds	307,746	565,666	0	0		
Cash Funds Exempt / Reappropriated Funds	4,232,586	4,385,713	8,977,137	8,977,137		
Property Premiums	<u>6,556,767</u>	<u>9,047,174</u>	<u>11,855,953</u>	<u>11,855,953</u>	<u>Pending</u>	
Cash Funds	502,785	3,346,334	0	0		
Cash Funds Exempt / Reappropriated Funds	6,053,982	5,700,840	11,855,953	11,855,953		
Workers' Compensation Premiums	<u>30,254,216</u>	<u>34,115,340</u> S	<u>31,896,783</u>	<u>31,896,783</u>	<u>Pending</u>	
Cash Funds	3,258,415	3,131,042	0	0		
Cash Funds Exempt / Reappropriated Funds	26,995,801	30,984,298 S	31,896,783	31,896,783		
Indirect Cost Assessment - CFE / RF	139,450	137,080	205,237	210,797	210,797	Request vs. Appropriation
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (C) Risk Management Services</b>	44,536,468	51,593,524	55,960,233	56,049,878	870,008	0.1%
FTE	<u>8.0</u>	<u>8.2</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Cash Funds	4,068,946	7,043,042	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	40,467,522	44,550,482	55,960,233	56,049,878	870,008	0.1%
<b>TOTAL - (2) DIVISION OF HUMAN RESOURCES</b>	48,731,365	56,087,557	62,744,413	62,396,357	7,246,390	-0.8%
FTE	<u>47.5</u>	<u>46.0</u>	<u>58.7</u>	<u>49.7</u>	<u>47.7</u>	<u>(9.0)</u>
General Fund	0	0	0	92,794	0	0.4%
Cash Funds	4,094,518	7,068,486	2,915,996	2,797,934	2,991,675	0.0%
Cash Funds Exempt / Reappropriated Funds	44,636,847	49,019,071	59,828,417	59,505,629	4,254,715	-0.8%

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES<sup>a/</sup>**

DI-13

**(3) PERSONNEL BOARD (A) Personnel Board**

DI-13

This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt by rule a uniform grievance procedure to be used by all principal departments and agencies for classified employees in the state personnel system. The Board provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. The cash fund source is from revenue for copies of information and case documentation. The reappropriated funds are from indirect cost recoveries and revenue from other state agencies for copies of information and case documentation.

Personal Services	426,649	437,357	456,945	485,891	485,891	
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	20,585	227,902	0	0	484,695	
Cash Funds	488	1,196	1,196	1,196	1,196	
Cash Funds Exempt / Reappropriated Funds	405,576	208,259	455,749	484,695	0	
Operating Expenses	<u>29,033</u>	<u>27,155</u>	<u>23,033</u>	<u>24,297</u>	<u>24,297</u>	SWDI-Mail and
General Fund	0	25,596	0	264	24,297	Postage Increase
Cash Funds Exempt / Reappropriated Funds	29,033	1,559	23,033	24,033	0	(DPA DI-5 & 8)
Legal Services for 330 Hours -General Fund	0	0	0	0	Pending	
						Request vs. Appropriation

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES**

<b>Subtotal - (A) Personnel Board</b>	455,682	464,512	479,978	510,188	510,188	5.0%
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>0.0</u>
General Fund	20,585	253,498	0	264	508,992	n/a
Cash Funds	488	1,196	1,196	1,196	1,196	0.0%
Cash Funds Exempt / Reappropriated Funds	434,609	209,818	478,782	508,728	0	4.9%

**(B) Independent Ethics Commission<sup>b/</sup>**

DI-13

Personal Services - General Fund <sup>c/</sup>	N/A	N/A	N/A	144,285	144,285	DI-13
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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
FTE	N/A	N/A	N/A	2.0	2.0	DI-13
Operating Expenses - General Fund <sup>c/</sup>	N/A	N/A	N/A	16,639	16,639	DI-13
Legal Services for 900 Hours -General Fund	N/A	N/A	N/A	67,590	Pending	BA- IEC Request vs. Appropriation
<b>(3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>						
<b>Subtotal - (B) Independent Ethics Commission</b>						
General Fund	N/A	N/A	N/A	228,514	160,924	-380200.0%
FTE	N/A	N/A	N/A	2.0	2.0	0.1

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

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

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

<b>TOTAL - (3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>	455,682	464,512	479,978	738,702	671,112	52.0%
FTE	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>6.8</u>	<u>6.8</u>	<u>2.0</u>
General Fund	20,585	253,498	0	228,778	669,916	n/a
Cash Funds	488	1,196	1,196	1,196	1,196	0.0%
Cash Funds Exempt / Reappropriated Funds	434,609	209,818	478,782	508,728	0	4.9%

#### (4) CENTRAL SERVICES

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

##### (A) Administration

Personal Services - CFE / RF	679,191	695,490	719,816	751,883	751,883	
FTE	9.4	10.2	10.0	10.0	10.0	
Operating Expenses	70,832	75,851	77,427	77,427	77,427	
Indirect Cost Assessment	118,539	84,219	52,406	100,300	100,300	Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (A) Administration</b>						
	868,562	855,560	849,649	929,610	929,610	9.4%

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
FTE	<u>9.4</u>	<u>10.2</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
Cash Funds	36,187	41,206	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	832,375	814,354	849,649	929,610	929,610	9.4%

**(4) CENTRAL SERVICES**  
**(B) Integrated Document Factory**  
**(1) Reprographic Services**

Personal Services	1,157,128	1,137,877	1,206,961	1,349,799	1,305,815	DI-3
FTE	21.8	21.8	23.3	20.6	20.6	
Operating Expenses	1,991,462	3,046,647	3,760,034	2,738,932	3,692,794	DI-3, DI-10
Indirect Cost Assessment	237,079	232,704	169,705	147,901	147,901	Request vs. Appropriation

<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Factory (1) Reprographics Services</b>						
	3,385,669	4,417,228	5,136,700	4,236,632	5,146,510	12.0%
FTE	<u>21.8</u>	<u>21.8</u>	<u>23.3</u>	<u>20.6</u>	<u>20.6</u>	<u>(2.7)</u>
Cash Funds	263,935	305,456	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	3,121,734	4,111,772	5,136,700	4,236,632	5,146,510	12.0%

**(2) Document Solutions Group <sup>b/</sup>**

Personal Services	2,703,278	2,921,858	3,085,955	3,275,253	3,262,123	DI-3, NPDI-14
FTE	45.4	54.2	55.7	50.2	50.2	
Operating Expenses	249,720	404,846	530,977	750,888	648,243	SWDI-Mail/Postage, DI-3, NPDI-13, 15, 17
Utilities	27,889	39,635	69,000	69,000	69,000	
Indirect Cost Assessment	197,566	169,477	136,708	173,089	173,089	Request vs. Appropriation

<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Factory (2) Document Solutions Group</b>						
	3,178,453	3,535,816	3,822,640	4,268,230	4,152,455	26.7%
FTE	<u>45.4</u>	<u>54.2</u>	<u>55.7</u>	<u>50.2</u>	<u>50.2</u>	<u>(5.5)</u>
Cash Funds	28,042	35,917	43,336	0	43,336	n/a
Cash Funds Exempt / Reappropriated Funds	3,150,411	3,499,899	3,779,304	4,268,230	4,109,119	26.7%

<sup>b/</sup> Prior to FY 2003-04, the Document Solutions Group was named the Imaging and Microfilm Unit. A department reorganization moved the Pueblo Data Entry Center from the Division of Information Technology to Central Services and combined it with the Imaging and Microfilm Unit.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
<b>(3) Mail Services</b>						
Personal Services	1,127,966	1,225,914	1,253,725	1,473,001	2,362,431	DI-3
FTE	32.4	39.5	34.6	42.8	42.8	
Operating Expenses	5,836,181	7,657,809	7,944,200	10,592,755	11,213,611	SWDI-Fuel, Mail/Postage DI-3,5,8
Indirect Cost Assessment	355,618	276,199	237,215	165,998	165,998	Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Factory (3) Mail Services</b>	7,319,765	9,159,922	9,435,140	12,231,754	13,742,040	29.6%
FTE	<u>32.4</u>	<u>39.5</u>	<u>34.6</u>	<u>42.8</u>	<u>42.8</u>	<u>8.2</u>
Cash Funds	555,400	697,515	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	6,764,365	8,462,407	9,435,140	12,231,754	13,742,040	29.6%
Request vs. Appropriation						
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Factory</b>	13,883,887	17,112,966	18,394,480	20,736,616	23,041,005	25.0%
FTE	<u>99.6</u>	<u>115.5</u>	<u>113.6</u>	<u>113.6</u>	<u>113.6</u>	<u>0.0</u>
Cash Funds	847,377	1,038,888	43,336	0	43,336	n/a
Cash Funds Exempt / Reappropriated Funds	13,036,510	16,074,078	18,351,144	20,736,616	22,997,669	25.0%
Request vs. Appropriation						
<b>(4) CENTRAL SERVICES</b>						
<b>(C) Fleet Management and Motor Pool Services</b>						
Personal Services	777,713	812,043	829,515	918,192	866,030	DI-11
FTE	14.9	15.7	14.0	15.0	14.0	DI-11
Operating Expenses	17,746,418	22,115,418	20,677,433	28,720,428	24,127,500	DI-1, DI-11
Vehicle Replacement Lease, Purchase or Lease/Purchase	12,479,698	13,170,783	12,558,203	15,321,900	Pending	DI-9, NPDI-1,2,3,4,5, 6,7,8,9,10,11,12,16,18
Indirect Cost Assessment	632,210	430,448	302,858	453,493	453,493	Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (C) Fleet Management and Motor Pool Services</b>	31,636,039	36,528,692	34,368,009	45,414,013	25,447,023	32.1%
FTE	<u>14.9</u>	<u>15.7</u>	<u>14.0</u>	<u>15.0</u>	<u>14.0</u>	<u>1.0</u>
Cash Funds	1,847,561	1,948,015	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	29,788,478	34,580,677	34,368,009	45,414,013	25,447,023	32.1%

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
<b>(4) CENTRAL SERVICES</b>						
<b>(D) Facilities Maintenance</b>						
<b>(1) Capitol Complex Facilities</b>						
Personal Services	2,562,660	2,601,617	2,667,077	2,745,896	2,745,896	
FTE	49.8	51.9	53.2	53.2	53.2	
Operating Expenses	1,606,275	1,624,799	1,722,466	1,722,617	1,722,617	SWDI-Fleet Fuel, SWDI-Mail/Postage
Capitol Complex Repairs	56,392	55,520	56,520	56,520	56,520	
Capitol Complex Security	260,379	289,484	304,163	304,163	323,000	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CFE / RF	0	0	0	0	0	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CF	0	0	24,069	24,069	24,069	
FTE	0.0	0.0	0.3	0.3	0.3	
Utilities	3,567,010	3,718,038	3,657,802	3,657,802	3,657,802	
Indirect Cost Assessment	434,644	377,456	273,929	435,060	435,060	
						Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance (1) Capitol Complex</b>						
<b>Facilities - Cash Funds Exempt</b>	8,487,360	8,666,914	8,706,026	8,946,127	8,964,964	2.8%
FTE	<u>49.8</u>	<u>51.9</u>	<u>53.5</u>	<u>53.5</u>	<u>53.5</u>	0.0
Cash Funds	0	0	24,069	24,069	24,069	0.0%
Cash Funds Exempt / Reappropriated Funds	8,487,360	8,666,914	8,681,957	8,922,058	8,940,895	2.8%
<b>(2) Grand Junction State Services Building</b>						
Personal Services	44,696	45,335	47,003	48,459	48,459	
FTE	1.1	1.0	1.0	1.0	1.0	
Operating Expenses	76,469	75,994	76,873	76,873	76,873	
Utilities	87,554	87,554	87,554	87,554	87,554	
						Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance (2) Grand Junction State</b>						
<b>Services Building</b>	208,719	208,883	211,430	212,886	212,886	0.7%
FTE	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Cash Funds	5,103	5,130	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	203,616	203,753	211,430	212,886	212,886	0.7%
<b>(3) Camp George West</b>						
Personal Services	61,571	64,564	66,232	79,641	79,641	
FTE	1.1	1.2	1.0	1.0	1.0	
Operating Expenses	165,303	121,815	122,102	166,289	166,289	DI-12
Utilities	383,485	386,449	434,350	434,350	434,350	
						Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance (3) Camp George West</b>	610,359	572,828	622,684	680,280	680,280	9.2%
FTE	<u>1.1</u>	<u>1.2</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
Cash Funds	48,950	48,950	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	561,409	523,878	622,684	680,280	680,280	9.2%
						Request vs. Appropriation
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance</b>	9,306,438	9,448,625	9,540,140	9,839,293	9,858,130	3.1%
FTE	<u>52.0</u>	<u>54.1</u>	<u>55.5</u>	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Cash Funds	54,053	54,080	24,069	24,069	24,069	0.0%
Cash Funds Exempt / Reappropriated Funds	9,252,385	9,394,545	9,516,071	9,815,224	9,834,061	3.1%
						Request vs. Appropriation
<b>TOTAL - (4) CENTRAL SERVICES</b>						
FTE	<u>175.9</u>	<u>195.5</u>	<u>193.1</u>	<u>194.1</u>	<u>193.1</u>	<u>1.0</u>
Cash Funds	2,785,178	3,082,189	67,405	24,069	67,405	0.0%
Cash Funds Exempt / Reappropriated Funds	52,909,748	60,863,654	63,084,873	76,895,463	59,208,363	25.4%
<b>(5) OFFICE OF THE STATE CONTROLLER</b>						
The Department requests the creation of the State Controller's Office to oversees and implement controls over the financial affairs of all departments, including statewide financial reporting policy, procedural guidance, and the development of a statewide indirect cost plan.						DI-13
Personal Services <sup>a/</sup>	N/A	N/A	N/A	2,449,912	0	DI-13
FTE	N/A	N/A	N/A	<u>27.5</u>	<u>0.0</u>	DI-13
General Fund	N/A	N/A	N/A	1,368,375	0	DI-13

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Cash Funds	N/A	N/A	N/A	971,382	0	DI-13
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	N/A	110,155	0	DI-13
Operating Expenses <sup>a/</sup>	N/A	N/A	N/A	<u>116,514</u>	<u>0</u>	DI-13
General Fund	N/A	N/A	N/A	116,514	0	DI-13, SWDI-Mail
Cash Funds	N/A	N/A	N/A	0	0	DI-13
						Request vs. Appropriation
<b>(5) TOTAL - OFFICE OF THE STATE CONTROLLER</b>	N/A	N/A	N/A	2,566,426	0	5.8%
FTE	N/A	N/A	N/A	<u>27.5</u>	<u>0.0</u>	<u>0.0</u>
General Fund	N/A	N/A	N/A	1,484,889	0	17.2%
Cash Funds	N/A	N/A	N/A	971,382	0	-7.3%
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	N/A	110,155	0	0.0%

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

**(5) FINANCE AND PROCUREMENT**

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

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

Personal Services	2,916,277	3,000,053	2,935,507 S	0	0	DI-13
FTE	<u>39.2</u>	<u>38.3</u>	<u>36.5</u>	<u>0.0</u>	<u>0.0</u>	DI-13
General Fund	70,649	1,144,835 a/	639,190 S	0	0	DI-13
Cash Funds	409,082	0	1,946,878 S	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	2,436,546	1,855,218	349,439 S	0	0	DI-13
Operating Expenses	<u>135,302</u>	<u>143,584</u>	<u>135,018</u> S	<u>0</u>	<u>0</u>	DI-13
General Fund	0	143,584 a/	128,028 S	0	0	DI-13
Cash Funds	135,302	0	0	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	0	0	6,990 S	0	0	
						Request vs. Appropriation

**(5) FINANCE AND PROCUREMENT**

<b>Subtotal - (A) State Controller's Office and Procurement Services</b>	3,051,579	3,143,637	3,070,525	0	0	-100.0%
FTE	<u>39.2</u>	<u>38.3</u>	<u>36.5</u>	<u>0.0</u>	<u>0.0</u>	<u>(36.5)</u>
General Fund	70,649	1,288,419	767,218	0	0	-100.0%
Cash Funds	544,384	0	1,946,878	0	0	-100.0%



	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Cash Funds Exempt / Reappropriated Funds	2,436,546	1,855,218	356,429	0	0	-100.0%

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

**(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER**

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

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

The State Controller's Office oversees and implements controls over the financial affairs of all departments, including statewide financial reporting policy, procedural guidance, and the development of a statewide indirect cost plan.

Personal Services <sup>a/</sup>	N/A	N/A	N/A	2,449,912	2,449,912	DI-13
FTE	N/A	N/A	N/A	<u>27.5</u>	<u>27.5</u>	DI-13
General Fund	N/A	N/A	N/A	1,368,375	1,276,876	DI-13
Cash Funds	N/A	N/A	N/A	971,382	1,063,042	DI-13
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	N/A	110,155	109,994	DI-13
Operating Expenses <sup>a/</sup>	N/A	N/A	N/A	<u>116,514</u>	<u>116,514</u>	DI-13
General Fund	N/A	N/A	N/A	116,514	116,514	DI-13, SWDI-Mail
Cash Funds	N/A	N/A	N/A	0	0	DI-13
						Request vs. Appropriation
<b>(5) (A) SUBTOTAL - OFFICE OF THE STATE CONTROLLER</b>	N/A	N/A	N/A	2,566,426	2,566,426	5.8%
FTE	N/A	N/A	N/A	<u>27.5</u>	<u>27.5</u>	0.0
General Fund	N/A	N/A	N/A	1,484,889	1,393,390	17.2%
Cash Funds	N/A	N/A	N/A	971,382	1,063,042	-7.3%
Cash Funds Exempt / Reappropriated Funds	N/A	N/A	N/A	110,155	109,994	0.0%

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

**(B) STATE PURCHASING OFFICE**

Manages statewide centralized procurement with duties that include the promulgation of the State's procurement rules; vendor BIDS system; electronic vendor notification system; procurement education and leadership; procurement and administration of statewide price agreements; conducting procurement services for non-delegated agencies; and appeals authority for bids protests.

Personal Services - Cash Funds	N/A	N/A	N/A	993,623	856,836	DI-13
FTE	N/A	N/A	N/A	11.0	9.0	DI-13, DI-4

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
Operating Expenses - Cash Funds	N/A	N/A	N/A	39,356	27,000	DI-13 Request vs. Appropriation
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>Subtotal - (B) State Purchasing Office - Cash Funds</b>	N/A	N/A	N/A	1,032,979	883,836	23.8%
FTE	N/A	N/A	N/A	11.0	9.0	2.0
<p><sup>b/</sup> This program resides in the division of Finance and Procurement State Controller's Office and Procurement Services. The Department has submitted a request (DI-13) to move this program under a stand-alone program within the division of Finance and Procurement titled "State Purchasing Office" starting with FY 2009-10. The numbers for FY 2006-07 Actual and FY 2007-08 Actual are listed in the Finance and Procurement, State Controller's Office and Procurement Services section of the budget above. The FY 2008-09 Appropriation numbers are listed for informational purposes only and do not add into the total for the Department.</p>						
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>(C) Supplier Database</b>						
Primarily supports business operational and database needs of the State Purchasing Office.						
Personal Services - Cash Funds	178,715	182,337	190,584	196,133	196,133	DI-13
FTE	2.7	2.9	2.0	2.0	2.0	
Operating Expenses - Cash Funds	29,774	31,053	43,382	43,382	43,382	Request vs. Appropriation
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>Subtotal - (C) Supplier Database - Cash Funds</b>	208,489	213,390	233,966	239,515	239,515	2.4%
FTE	2.7	2.9	2.0	2.0	2.0	0.0
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>(D) Collections Services</b>						
Serves as a central accounts receivable function and collects debts owed to State agencies; departments and institutions after initial collections efforts have been unsuccessful.						
Personal Services	771,948	874,776	894,144	938,677	938,677	DI-14
FTE	15.6	15.2	20.0	20.0	20.0	
Operating Expenses	300,610	333,863	349,085	349,085	349,085	
Collection of Debts Due to the State	0	0	20,702	20,702	20,702	
Private Collection Agency Fees	866,906	754,911	1,200,000	1,200,000	1,200,000	
Indirect Cost Assessment	172,089	208,569	260,606	172,066	172,066	Request vs. Appropriation

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>Subtotal - (D) Collections Services</b>	2,111,553	2,172,119	2,724,537	2,680,530	2,680,530	-1.6%
FTE	<u>15.6</u>	<u>15.2</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>0.0</u>
Cash Funds	1,072,558	900,439	1,344,512	1,360,170	1,360,170	1.2%
Cash Funds Exempt / Reappropriated Funds	1,038,995	1,271,680	1,380,025	1,320,360	1,320,360	-4.3%

**(5) FINANCE AND PROCUREMENT**

**(D) Real Estate Services Program**

Coordination of Capital Construction, Controlled Maintenance

Requests, and Building Lease Review	505,064	514,170	517,134 S	0	0	DI-13
FTE	<u>5.6</u>	<u>5.6</u>	<u>6.0</u>	<u>0.0</u>	<u>0.0</u>	DI-13
General Fund	248,308	514,170	517,134 S	0	0	DI-13
Cash Funds	134,673	0	0	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	122,083	0	0	0	0	DI-13
						Request vs. Appropriation

**(5) FINANCE AND PROCUREMENT**

**Subtotal - (D) Real Estate Services Program**

Subtotal - (D) Real Estate Services Program	505,064	514,170	517,134	0	0	-100.0%
FTE	<u>5.6</u>	<u>5.6</u>	<u>6.0</u>	<u>0.0</u>	<u>0.0</u>	(6.0)
General Fund	248,308	514,170	517,134	0	0	-100.0%
Cash Funds	134,673	0	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	122,083	0	0	0	0	n/a

**TOTAL - (5) DIVISION OF ACCOUNTS  
AND CONTROL - CONTROLLER**

TOTAL - (5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER	5,876,685	6,043,316	6,546,162	3,953,024	6,370,307	-41.4%
FTE	<u>63.1</u>	<u>62.0</u>	<u>64.5</u>	<u>33.0</u>	<u>58.5</u>	<u>(31.5)</u>
General Fund	318,957	1,802,589	1,284,352	0	1,393,390	-100.0%
Cash Funds	1,960,104	1,113,829	3,525,356	2,632,664	3,546,563	-23.3%
Cash Funds Exempt / Reappropriated Funds	3,597,624	3,126,898	1,736,454	1,320,360	1,430,354	-11.4%

**(6) DIVISION OF INFORMATION TECHNOLOGY**

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

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
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**(6) INFORMATION AND ARCHIVAL SERVICES<sup>a/</sup>**

Information and Archival Services plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado territorial and State Government. This unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts. The unit is also responsible for managing and operating the State's home page content on the Internet.

Personal Services <sup>b/</sup>	448,706	485,687	485,461 S	0	0	DI-13
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.5</u>	<u>0.0</u>	<u>0.0</u>	DI-13
General Fund	351,462	362,965	380,749 S	0	0	DI-13
Cash Funds	79,064	78,669	93,811	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	10,901	0	0	DI-13
Operating Expenses	<u>48,948</u>	<u>56,794</u>	<u>47,082</u> S	<u>0</u>	<u>0</u>	DI-13
General Fund	48,948	56,794	25,294 S	0	0	
Cash Funds	0	0	17,904 S	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	3,884 S	0	0	Request vs. Appropriation
<b>TOTAL -- (6) INFORMATION AND ARCHIVAL SERVICES</b>	497,654	542,481	532,543	0	0	-100.0%
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.5</u>	<u>0.0</u>	<u>0.0</u>	<u>(8.5)</u>
General Fund	400,410	419,759	406,043	0	0	-100.0%
Cash Funds	79,064	78,669	111,715	0	0	-100.0%
Cash Funds Exempt / Reappropriated Funds	18,180	44,053	14,785	0	0	-100.0%

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

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

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

**(6) ADMINISTRATIVE COURTS**

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with worker's compensation, human services, and regulatory law.

Personal Services	2,945,674	3,008,208	3,135,849 S	3,399,089	3,224,900	
FTE	<u>35.7</u>	<u>36.5</u>	<u>40.8</u> a/	<u>41.0</u>	<u>39.0</u>	DI-13
General Fund	0	0 d/	90,320 S	0	0	DI-13
Cash Funds	28,689	28,546	28,546	28,546	28,546	
Cash Funds Exempt / Reappropriated Funds	2,916,985	2,979,662	3,016,983 S	3,370,543	3,196,354	DI-6
Operating Expenses	<u>136,459</u>	<u>153,021</u> b/	<u>177,310</u> S	<u>169,164</u>	<u>258,850</u>	

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation	Change Request
General Fund	0	0	21,723	0	0	DI-13
Cash Funds Exempt / Reappropriated Funds	136,459	153,021	155,587	169,164	258,850	SWDI-Mail/Postage, DI-6
Indirect Cost Assessment - CFE / RF	290,513	215,330	239,271	341,313	239,271	Request vs. Appropriation
<b>TOTAL - (6) ADMINISTRATIVE COURTS</b>	3,372,646	3,376,559	3,552,430	3,909,566	3,723,021	9.3%
FTE	<u>35.7</u>	<u>36.5</u>	<u>40.8</u>	<u>41.0</u>	<u>39.0</u>	<u>0.2</u>
General Fund	0	0	112,043	0	0	-100.0%
Cash Funds	28,689	28,546	28,546	28,546	28,546	0.0%
Cash Funds Exempt / Reappropriated Funds	3,343,957	3,348,013	3,411,841	3,881,020	3,694,475	12.3%
<p>a/ Appropriation for FY 2007-08 and FY 2008-09 includes \$80,856 General Fund and 1.8 FTE for S.B. 07-210.</p> <p>b/ Appropriation for FY 2007-08 includes \$17,154 General Fund for S.B. 07-210. Appropriation for FY 2008-09 includes \$11,144 General Fund for S.B. 07-210.</p> <p>c/ Appropriation for FY 2007-08 includes \$3,502 for S.B. 07-258. Appropriation for FY 2008-09 includes \$3,502 for S.B. 07-258 as well as an additional \$718 for out year impact of FY 2007-08 DI #5 Legal Files Maintenance.</p> <p>d/ The Joint Budget Committee approved an interim 1331 supplemental for the Independent Ethics Commission for FY 2008-09 for Personal Services and Operating Expenses for additional funds of \$22,885 General Fund and \$10,579 General Fund respectively. These amounts are not reflected in the appropriation above and will be adjusted through a January 2009 supplemental bill.</p>						
<b>TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>	160,100,481	179,792,233	148,504,532	163,402,978	85,569,171	11.1%
FTE	<u>517.9</u>	<u>535.1</u>	<u>392.9</u>	<u>400.1</u>	<u>392.1</u>	<u>7.2</u>
General Fund	9,376,069	10,760,474	5,784,722	6,407,379	4,303,466	0.4%
Cash Funds	11,095,081	13,953,894	6,667,669	6,567,073	6,816,044	2.7%
Cash Funds Exempt / Reappropriated Funds	139,455,556	154,894,300	136,052,141	150,428,526	74,449,661	12.0%
Federal Funds	173,775	183,565	0	0	0	n/a

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION**

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

This division provides policy direction to the department and manages the fiscal and budgetary affairs of its divisions. It also reviews all departmental contracts, investigates and resolves appeals made to the State Personnel Director concerning agency actions, and promotes statewide affirmative action and equal opportunity programs. The department has organized this division into five separate programs. It also contains the appropriation for the department's workload associated with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) - security rule.

- Executive Director / Deputy Director - Provides departmental leadership and direction for human resources, communications, legislative affairs, financial services, and other operational matters. It consists of 2.0 FTE.
- Financial Services Unit - Provides financial oversight and reporting, performs accounting internal payroll processing and auditing, performs fiscal analysis of legislation, and prepares budget submissions to the Office of State Planning and Budgeting and the Joint Budget Committee. It also performs contracting and procurement functions for the department. It consists of 12.0 FTE.
- Human Resources - Administers the internal personnel functions that include job evaluation, compensation, employee relations, orientation, and training coordination. It consists of 5.5 FTE.
- Government and Public Relations Unit - Communicates relevant information to all state employees through various publications, serves as the main point of contact for all open records requests and media inquiries, and is the main point of contact with the General Assembly. It consists of 2.0 FTE.
- Health Insurance Portability and Accountability Act of 1996 - Insures department compliance with the HIPAA security rule which became effective April 2005. Develops and manages the operation of legal compliance and policy related to the rule and its affect on the department. Develops policy to insure department information technology systems are compliant with the rule. It consists of 1.0 FTE.

**The Executive Director's Office has submitted the following requests for JBC consideration for FY 2009-10:**

- **Decision Item #7 - Ombuds Program Base Increase.** The Department requests \$69,750 reappropriated funds (charges to state agencies for Workers' Compensation premiums) and 1.0 FTE to support a new trial State Ombuds Program which will support and complement the Employee Assistance Program (EAP).
- **Decision Item #9 - Annual Fleet Vehicle Replacements.** The Department submitted a decision item (and a subsequent budget amendment on February 9, 2009) to request funding for the replacement of 693 state fleet vehicles (including 123 Department of Public Safety patrol vehicles).
- **Decision Item #13 - FY 2009-10 Long Bill Realignment.** The Department requests re-organizing of the following appropriation line items and divisions /units:
  - (1) moving the (a) State Information and Archival Services Program (Archives), (b) Real Estate Services Program, (c) the Colorado State Employees Assistance Program, and (d) various EDO lines, into a new sub-group within the EDO titled "Statewide Special Purpose";
  - (2) splitting the appropriation that contains both the State Controller's Office (SCO) and State Procurement Office (SPO) into distinct long bill groups; and
  - (3) separate out the Independent Ethics Commission (IEC) from the Office of Administrative Courts (OAC) and place it into a new "Constitutionally Independent Entities" long bill group along with the Personnel Board.

**☐ Decision Item #13 - FY 2009-10 Long Bill Realignment.**

The table below shows the organization detail as currently appropriated and the Department re-organization request for FY 2009-10:

<b>Decision Item #13 - FY 2009-10 Long Bill Realignment</b>	
<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Appropriation Request</b>
(1) Executive Director's Office	(1) Executive Director's Office
(2) Division of Human Resources	(A) Departmental Administration
(A) Human Resource Services	(B) Statewide Special Purpose
(1) State Agency Services	(1) Colorado State Employee Assistance Program

<b>Decision Item #13 - FY 2009-10 Long Bill Realignment</b>	
<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Appropriation Request</b>
(2) Training Services	(2) Office of the State Architect (formerly Real Estate Services Program)
(3) Colorado State Employees Assistance Program	(3) Colorado State Archives (formerly Information and Archival Services)
(B) Employee Benefits Services	(4) Other Statewide Special Purpose
(C) Risk Management Services	<b>Total - (1) EDO</b>
<b>Total -(2) DHR</b>	<b>(2) Division of Human Resources</b>
<b>(3) Personnel Board</b>	(A) Human Resource Services
<b>(4) Central Services</b>	(1) State Agency Services
<b>(5) Finance and Procurement</b>	(2) Training Services
(A) State Controller's Office and Procurement Services	(B) Employee Benefits Services
(B) Supplier Database	(C) Risk Management Services
(C) Collections Services	<b>Total -(2) DHR</b>
(D) Real Estate Services Program	<b>(3) Constitutionally Independent Entities</b>
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review	(A) Personnel Board
<b>Total - (5) Finance and Procurement</b>	(B) Independent Ethics Commission
<b>(6) Information and Archival Services</b>	<b>Total (3) - Constitutionally Independent Entities</b>
<b>(7) Administrative Courts</b>	<b>(4) Central Services</b>
<b>Total FY 2008-09 Appropriation</b>	<b>(5) Office of the State Controller</b>
	<b>(6) Finance and Procurement</b>
	(A) State Purchasing Office
	(B) Supplier Database
	(C) Collections Services
	<b>Total - (6) Finance and Procurement</b>
	<b>(7) Administrative Courts</b>
	<b>Total FY 2009-10 Request</b>

**Department Justification for the Request.** The Department lists the following reasons for the request:



***1). Statewide Special Purpose Programs.***

Senate Bill 08-155 "Centralize IT Management in OIT" moved the entire Division of Information Technology (DoIT) into the Governor's Office of Information and Technology. The only unit left in DPA from that move was Information and Archival Services. The Department requests bringing this unit under the appropriation for the Executive Director's Office and re-naming it "Colorado State Archives".

The Department requests that the Colorado State Employee Assistance Program (CSEAP) within the Division of Human Resources be moved under the appropriation for the Executive Director's Office.

The Department requests that the Real Estate Services Program currently within the Finance and Procurement division be brought under the appropriation for the Executive Director's Office and re-naming it "Office of the State Architect".

***2). State Controller's Office and Procurement Services.***

The Long Bill currently groups personal services and operating expenses for the Office of the State Controller and Procurement Services. The Department requests that the Office of the State Controller be separated out of Procurement Services and be listed under its own Long Bill division titled "Office of the State Controller". The Department requests that Procurement Services remain under a division titled Finance and Procurement. The Department states that the two offices have completely separate management structures and have little in common in their respective operations. Previously, these separate units were managed as a single division first by the State Controller and later by a distinct division director. The span of control of the first reporting structure proved to be too broad given the extensive statewide responsibilities of the State Controller. The Department states that the second reporting structure proved inappropriate given the nature of the Office of the State Controller and its need for independence. As a result, the State Controller operationally did not report through the Division Director.

***3). Personnel Board and Independent Ethics Commission.***

The Department requests placing the state Personnel Board which was created in Section 14 of Article XII of the State Constitution, and the Independent Ethics Commission which was created in Section 5 of Article XXIX of the State Constitution, in the same Long Bill unit titled "Constitutionally Independent Entities".

The Department states that Senate Bill 07-210 placed the newly created Independent Ethics Commission in the Office of Administrative Courts unit. However, being a constitutionally independent entity, the Independent Ethics Commission does not report to the DPA Executive Director or the Office of Administrative Courts.

**Staff Analysis.** Staff agrees with the Department on consolidating statewide special purpose programs partly as a result of the passage of Senate Bill 08-155 and creating a unit titled "Constitutionally Independent Entities" to house the Personnel Board and the Independent Ethics

Commission.

Staff does not agree with the Department that the State Controller's Office should be separate from Finance and Procurement. Section 24-30-201, C.R.S., created the "Division of accounts and control - controller" and granted the State Controller the powers, duties, and functions concerning accounts and control. These powers and duties include the examination and approval of all statements and reports on the financial condition and estimated future financial condition and the operations of state government (Section 24-30-201 (1) (d), C.R.S.).

The Controller is also authorized to grant special authority for any department, institution, or other agency, during any fiscal year, to make specific purchases of supplies or materials to be used in the next ensuing fiscal year or to enter into contracts in anticipation of appropriations already made or to be made for the next ensuing fiscal year for any purpose authorized by any existing law. The section of statute further states that no purchase or order shall be issued nor contract entered into unless such purchase order or contract has been approved and countersigned by the controller or the controller's authorized agent. (Section 24-30-202 (4), C.R.S.).

It seems clear to staff that the Finance and Procurement division's main authority and functions revolved around the State Controller. Thus, staff feels that the State Controller, state purchasing, and collections services should reside in the same Long Bill unit.

**Staff recommendation. Staff recommends the Department's requests related to Long Bill realignment described in (1) and (3) above. On (2), State Controller's Office, staff recommends that the division of Finance and Procurement be re-named to "Division of Accounts and Control - Controller" pursuant to Section 24-30-201, C.R.S. Staff further recommends that the "State Controller's Office" be listed in a separate sub-section and the "State Purchasing Office" be separated in its own sub-section. Staff further recommends that the "Supplier Database" and "Collections Services" continue to be listed as separate sub-units as part of the Division of Accounts and Control - Controller.**

Decision Item #13 - FY 2009-10 Long Bill Realignment	
FY 2008-09 Appropriation	FY 2009-10 Appropriation Staff Recommendation
(1) Executive Director's Office	(1) Executive Director's Office
(2) Division of Human Resources	(A) Departmental Administration
(A) Human Resource Services	(B) Statewide Special Purpose
(1) State Agency Services	(1) Colorado State Employee Assistance Program
(2) Training Services	(2) Office of the State Architect (formerly Real Estate Services Program)
(3) Colorado State Employees Assistance Program	(3) Colorado State Archives (formerly Information and Archival Services)

<b>Decision Item #13 - FY 2009-10 Long Bill Realignment</b>	
<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Appropriation Staff Recommendation</b>
(B) Employee Benefits Services	(4) Other Statewide Special Purpose
(C) Risk Management Services	<b>Total - (1) EDO</b>
<b>Total -(2) DHR</b>	<b>(2) Division of Human Resources</b>
<b>(3) Personnel Board</b>	(A) Human Resource Services
<b>(4) Central Services</b>	(1) State Agency Services
<b>(5) Finance and Procurement</b>	(2) Training Services
(A) State Controller's Office and Procurement Services	(B) Employee Benefits Services
(B) Supplier Database	(C) Risk Management Services
(C) Collections Services	<b>Total -(2) DHR</b>
(D) Real Estate Services Program	<b>(3) Constitutionally Independent Entities</b>
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review	(A) Personnel Board
<b>Total - (5) Finance and Procurement</b>	(B) Independent Ethics Commission
<b>(6) Information and Archival Services</b>	<b>Total (3) - Constitutionally Independent Entities</b>
<b>(7) Administrative Courts</b>	<b>(4) Central Services</b>
<b>Total FY 2008-09 Appropriation</b>	<b>(5) Division of Accounts and Control - Controller</b>
	(A) State Controller's Office
	(B) State Purchasing Office
	(C) Supplier Database
	(D) Collections Services
	<b>Total - (5) Division of Accounts and Control - Controller</b>
	<b>(6) Administrative Courts</b>
	<b>Total FY 2009-10 Request</b>

The table below shows the actual FTE usage, the FY 2009-10 Department request, and the FY 2009-10 staff recommendation including the Executive Director's Office re-organization based on Decision Item #13. Staff FTE recommendation is lower than the Department request based on staff recommendation for the State Employee Assistance Program described later in this packet.

<b>(1) Executive Director's Office</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommendation</b>
Executive Director	1.0	1.0	0.0	0.0
Deputy Director	1.0	1.0	0.0	0.0
General Professional / Management	6.2	8.0	0.0	0.0
Accounting / Budget	7.2	8.5	0.0	0.0
Support / Clerical	<u>3.3</u>	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>
<i>Sub-total -Executive Director's Office</i>	<i>18.7</i>	<i>21.5</i>	<i>0.0</i>	<i>0.0</i>
<b>HIPAA-Security Remediation</b>				
General Professional	1.0	1.0	0.0	0.0
IT Professional	1.0	0.0	0.0	0.0
<i>Sub-total - HIPAA</i>	<u>2.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total - EDO and HIPAA</b>	<b>20.7</b>	<b>22.5</b>	<b>0.0</b>	<b>0.0</b>
 <b>(A) Department Administration</b>				
Executive Director	0.0	0.0	1.0	1.0
Deputy Director	0.0	0.0	1.0	1.0
General Professional / Management	0.0	0.0	8.0	8.0
Accounting / Budget	0.0	0.0	8.5	8.5
Support / Clerical	0.0	0.0	3.0	3.0
HIPAA - Security Remediation	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
<i>Total - EDO, (A) Department Administration</i>	<i>0.0</i>	<i>0.0</i>	<i>22.5</i>	<i>22.5</i>
 <b>(B) Special Purpose</b>				
<b>(1) Colorado State Employees Assistance Program</b>				
Support / Clerical	0.0	0.0	2.0	2.0
General Professional / Management	<u>0.0</u>	<u>0.0</u>	<u>9.0</u>	<u>8.0</u>
<i>Subtotal - (B) (1) CSEAP</i>	<i>0.0</i>	<i>0.0</i>	<i>11.0</i>	<i>10.0</i>
 <b>(2) Office of the State Architect</b>				
General Professional / Manager	0.0	0.0	3.0	3.0

(1) Executive Director's Office	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommendation
Architect / Engineer	0.0	0.0	2.0	2.0
Support / Clerical	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
<i>Subtotal - (B) (2) State Architect</i>	<i>0.0</i>	<i>0.0</i>	<i>6.0</i>	<i>6.0</i>
(3) Colorado State Archives				
General Professional	0.0	0.0	3.5	3.5
Archivist	0.0	0.0	4.0	4.0
Support / Clerical	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>
<i>Subtotal - (B) (3) State Archives</i>	<i><u>0.0</u></i>	<i><u>0.0</u></i>	<i><u>8.5</u></i>	<i><u>8.5</u></i>
<b><i>Total - EDO, (B) Special Purpose</i></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>25.5</u></b>	<b><u>24.5</u></b>
<b>Total - EDO</b>	<b>0.0</b>	<b>0.0</b>	<b>48.0</b>	<b>47.0</b>

### PERSONAL SERVICES

The Department has requested an appropriation of \$1,819,883 reappropriated funds (indirect cost recoveries) and 21.5 FTE.

### FUNDING FOR THE EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office receives its funding from indirect costs that are earned in other divisions as agreed to in the Statewide Indirect Cost Allocation Plan. The office would be funded through General Fund if these indirect cost recoveries were not available. For FY 2009-10, total indirect costs available in the plan that are earned by the Department of Personnel and Administration are \$980,020 less than those available in FY 2008-09, thus offsetting less General Fund throughout the Department. The primary reason for this reduction is the move of the Division of Information Technology (DoIT) out of DPA by Senate Bill 08-155. The Department identifies its indirect cost allocations in the following manner.

Department of Personnel and Administration Indirect Cost Recoveries by Program				
Program	FY 2008-09	FY 2009-10	Difference	Percentage
Training Services	0	0	0	??
C-SEAP	162,295	112,816	(49,479)	-30.49%
Employee Benefits	210,609	314,180	103,571	49.18%
Risk Management	205,237	210,797	5,560	2.71%
Central Services - Administration	1,036,113	1,302,752	266,639	25.73%

<b>Department of Personnel and Administration Indirect Cost Recoveries by Program</b>				
Program	FY 2008-09	FY 2009-10	Difference	Percentage
Central Services - DSG	136,708	173,089	36,381	26.61%
Finance & Procurement - Collections	260,606	172,066	(88,540)	-33.97%
Information Tech. Comm Services	474,771	0	(474,771)	-100.00%
Information Tech. Network Services	202,616	0	(202,616)	-100.00%
Information Tech. Computer Services	678,807	0	(678,807)	-100.00%
Administrative Courts	<u>239,271</u>	<u>341,313</u>	<u>102,042</u>	<u>42.65%</u>
<b>TOTAL</b>	<b>3,607,033</b>	<b>2,627,013</b>	<b>(980,020)</b>	<b>-27.17%</b>

The table below summarizes what line items in the Department are used in FY 2009-10 to apply the indirect costs from the table above:

<b>Department of Personnel and Administration FY 09 Applied Indirect Cost Recoveries</b>		
Line Item	Available	Applied
EDO - Personal Services		\$1,819,883
EDO - Operating Expenses		107,612
DHR - State Agency Services - Personal Services		699,518
<b>TOTAL</b>	<b>\$2,627,013</b>	<b>\$2,627,013</b>

The table below indicates additional indirect costs from other State agencies that are going to have to be applied in the Department of Personnel. If not applied, these additional indirect costs will have to be funded by General Fund dollars. The additional indirect costs are from the Department of Transportation, the Department of Labor and Employment, and the Department of State.

In FY 2008-09, the Department took indirect costs from the Department of Transportation, Department of Labor and Employment, the Department of State, and Higher Education totaling \$1,108,388.

For FY 200910, staff's initial analysis shows that there are statewide indirect costs from the Departments of Transportation, Labor and Employment, and State that will be offset in the Department of Personnel. These indirects total \$1,537,121.

<b>Department of Personnel and Administration FY 2010 Additional Indirect Costs From Other State Agencies</b>		
<b>Line Item</b>	<b>Available</b>	<b>Applied</b>
DHR - State Agency Services - Personal Services		\$1,337,932
DHR - State Agency Services - Operating Expenses		88,873
State Controller - Personal Services		110,316
<b>TOTAL</b>	<b>\$1,537,121</b>	<b>\$1,537,121</b>

Staff recommends the Committee approve the application of the additional indirect costs from other departments in the manner described above. Staff requests the Committee grant staff the ability to adjust the department and statewide indirect costs as new data becomes available to staff. Staff notes that the final number for the additional indirect costs summarized above are subject to change as staff coordinates the final amounts that other departments are able to apply.

**Staff Recommendation for the Executive Director's Office (A) Department Administration:**

Staff recommends the Committee approve an appropriation of \$1,819,883 and 21.5 FTE for the personal services line item in the Executive Office. This recommendation is consistent with common policy.

<b>Summary of Personal Services Recommendation</b>				
<b>(1) Executive Director's Office (A) Department Administration — Department of Personnel and Administration</b>				
	<b>Total</b>	<b>GF</b>	<b>RF</b>	<b>FTE</b>
FY 2008-09 Appropriation	1,663,416	0	1,663,416	21.5
FY 2008-09 Salary Survey	87,288	0	87,288	0.0
FY 2008-09 80% of Performance Awards	25,407	0	25,407	0.0
Base Reduction (0.0 percent)	0	0	0	0.0
Add Back FY 2009 Hiring Freeze Savings	<u>43,772</u>	<u>0</u>	<u>43,772</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>1,819,883</b>	<b>0</b>	<b>1,819,883</b>	<b>21.5</b>

**HEALTH, LIFE, AND DENTAL**

The Department's November 1 request was for \$2,124,061 (\$617,961 General Fund and \$1,506,100 reappropriated funds) for health, life, and dental insurance for FY 2009-10 to maintain a State contribution rate of 90 percent of prevailing market contributions for health insurance for FY 2009-10.

Committee common policy for health, life, and dental approved the November 1 request for HLD for FY 2009-10.

**Staff recommends the Department's request for total funding, however, staff does not recommend the Department's request for fund splits.** Staff notes that the Department's Schedule 8 shows a detailed breakdown of the HLD request by division and fund source. In the Schedule 8, the Department shows a need of \$459,774 General Fund and \$1,664,287 reappropriated funds. Staff recommends that \$9,532 for the Supplier Database unit be funded with cash funds from the Supplier Database Cash Fund instead of General Fund and \$4,992 for the Collections Services unit be funded with reappropriated funds from collection receipts previously booked as cash.

**In total, Staff recommends \$2,124,061 (\$445,250 General Fund, \$9,532 cash funds, and \$1,669,279 reappropriated funds from various sources). The General Funded divisions in DPA include EDO (Department Administration and State Architect); DHR, State Agency Services; Personnel Board; and State Controller's Office.**

#### **SHORT-TERM DISABILITY**

This line item is used to purchase short-term disability (STD) coverage. Pursuant to Section 24-50-603 (13), C.R.S., STD coverage provides for a partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her duties. This benefit is available to all employees, which is paid entirely by the State. The State purchases this insurance coverage from Standard Insurance Company. The coverage provides for a 30-day waiting period, and it will pay 60.0 percent of an employee's salary for a maximum of 5 months.

The contract for provision of short-term disability is currently awarded to Standard Insurance Company. Under the contract, the State is paying Standard Insurance Company a premium of 0.155 percent for FY 2009-10, to shift the entire risk of claims costs to the insurer (an indemnity policy). Pursuant to Committee common policy for FY 2009-10, staff has applied a factor of 0.155 percent to base salaries. Using Committee approved policy for short-term disability, staff computed the FY 2009-10 appropriation to be \$30,885. **Staff's recommendation is for an appropriation of \$30,885, including \$8,497 General Fund, \$1,923 cash funds and \$20,465 reappropriated funds.**

#### **S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

This line item funds the Amortization Equalization Disbursement to the Public Employees' Retirement Association. FY 2009-10 represents the fifth year when this payment is due and the rate is 1.8 percent of base salaries for July 2009 through December 2009 and 2.2 percent of base salaries for January 2010 through June 2010. The preceding formula is applied when calculating funding from cash funds and federal funds sources. When calculating for the General Fund, the 1.8 percent rate is applied for seven months and the 2.2 percent rate is applied for five months. This difference is due to the pay-date shift, pursuant to S.B. 03-197. The Committee established this line item pursuant to statute as amended in S.B. 04-257 (Owen / Young).

The department submitted a request for \$451,690 including \$167,732 General Fund. **Pursuant to Committee common policy, staff recommends the Committee approve an appropriation of**



**\$396,683 including \$107,809 General Fund, 24,816 cash funds, and \$264,058 reappropriated funds.**

**S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

This line item funds a Supplemental Amortization Equalization Disbursement to the Public Employees' Retirement Association. In the 2006 session, the General Assembly passed S.B. 06-235 (Sandoval / Marshal) which, made changes to public employees' retirement benefit plans. Among other changes, the bill provides a Supplemental Amortization Equalization Disbursement (SAED) of 0.5 percent of total payroll beginning January 1, 2008, and increasing 0.5 percent per year for a total of 3 percent by 2013. The SAED is to be funded from money otherwise available for use but not yet awarded as salary increases. For FY 2009-10, the Committee did not approve any salary increases, however, the Committee approved funding the 0.5 percent SAED increase outright, since there were no salary increases. Together, AED and SAED will contribute an additional 6 percent of total payroll to PERA by 2013.

The department submitted a request for \$282,307 including \$105,109 General Fund. **Pursuant to Committee common policy, staff recommends the Committee approve an appropriation of \$246,785 including \$66,239 General Fund, 15,510 cash funds, and \$165,036 reappropriated funds.**

**SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

The department uses this line item to pay for annual increases for salary survey and senior executive service (SES) positions.

The Committee has adopted a common policy to not fund salary survey and senior executive service increases for FY 2009-10. The Department also submitted a budget amendment withdrawing the request.

**PERFORMANCE-BASED PAY AWARDS**

The performance-based pay awards line item funds awards relating to employee performance and evaluations.

The Department did not request funding for performance-based pay for FY 2009-10.

The Committee has adopted a common policy to not fund performance-based pay awards for FY 2009-10.

**SHIFT DIFFERENTIAL**

This line item is used to pay for the adjustment to compensate employees for work performed outside the regular Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. Unlike the other awards, the entire base budget and any increases have historically been included in the centrally-appropriated budget line at 80.0 percent of the total estimated costs. The Office of State Planning and Budgeting (OSP) has submitted its request to fund shift differential at 80.0 percent of estimated need.

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 Committee approved funding for shift differential based on a OSPB comeback from February 23, 2009. The Committee approved \$37,736 reappropriated funds for shift in the Department.**

#### **WORKERS' COMPENSATION**

This line item is used to pay the department's estimated share for inclusion in the state's Workers' Compensation Program. The Workers' Compensation Program, which is run by the department's Risk Management Section, is used to pay 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 is requesting an appropriation of \$107,612 including \$7,770 General Fund for a non-prioritized statewide decision item for mail and postage increase. This line item is usually funded from indirect cost recoveries (reappropriated funds). Staff has calculated that there are available indirect costs to allow for this line item to be funded from indirect cost recoveries for FY 2009-10. **Staff recommends the Committee approve \$107,612 reappropriated funds (indirect cost recoveries) for operating expenses.**

#### **LEGAL SERVICES**

The Department was appropriated a total of 4,785 legal services hours for FY 2008-09. Of this amount, the Department was appropriated 3,351 continuation legal services hours, 594 hours for the IEC, and an additional 840 hours for the IEC through a September 2008 FY 2009 supplemental. In total the IEC was appropriated 1,434 legal services hours. The Department requested funding for 4,251 legal services hours for FY 2009-10.

Based on the Department request contained in Decision Item #13 - FY 2009-10 Long Bill Realignment, the Department requested moving the Independent Ethics Commission (IEC) and the Personnel Board in a stand-alone group titled "Constitutionally Independent Entities". The Department did not request, but staff is recommending moving the associated legal services lines for the Personnel Board and the Independent Ethics Commission out of the EDO and into the newly created units. This will result in taking out 1,434 hours for the IEC and 330 hours for the Personnel Board.

**Based on this move described above, staff recommends funding 3,021 legal services hours in the EDO. The actual funding and funding split is pending the Committee's approval of a blended legal services rate in the Department of Law.**

### ADMINISTRATIVE LAW JUDGE SERVICES

This line item is used to pay Administrative Courts for the Department of Personnel and Administration's share of statewide administrative law judge services. The department requests an appropriation of \$2,880 reappropriated funds in FY 2009-10 for administrative law judges. **The staff recommendation on this line is pending Committee common policy for administrative law judge services.**

### PURCHASE OF SERVICES FROM COMPUTER CENTER

This line item is used to pay the Computer Services program in the Governor's Office of OIT for the Department of Personnel and Administration's share of statewide computer assistance and usage. S.B. 08-155 moved the operation and management of the computer center from DPA to the Governor's Office of OIT.

The Department is requesting \$2,294,353 for its share of payments to GGCC, including \$947,875 General Fund. **The staff recommendation for this line is pending figure setting for the costs of this program in the Governor's Office of OIT.**

### MULTIUSE NETWORK PAYMENTS

This line item is used to pay the Department of Personnel and Administration's share of the statewide multiuse network. The Committee established this line item in FY 2002-03 as a means of tracking the costs of the multiuse network. S.B. 08-155 moved the operation and management of the computer center from DPA to the Governor's Office of OIT. The Department requests \$67,547 in reappropriated funds for this line item for FY 2009-10. **The staff recommendation for this line is pending Committee common policy for Multiuse Network Payments in the Governor's Office of OIT.**

### MANAGEMENT AND ADMINISTRATION OF OIT

This line item was created during the FY 2008-09 supplemental process. The line item funds the internal office operations and support for the Governor's Office of OIT. **The staff recommendation for this line item is pending Committee common policy figure setting for the Management and Administration of OIT line item in the Governor's Office of OIT.**

### PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

The "Payments to Risk Management and Property Funds" line item is used by the Department of Personnel and Administration to pay for its share of the statewide costs for two programs operated by the Risk Management Section: (1) the liability program, and (2) the property program. The state's liability program is used to pay liability claims and expenses brought against the state. The property program provides insurance coverage for state buildings and their contents. The department requests 651,845 for risk management and property. The request includes \$194,582 General Fund. **The staff recommendation for this line item is pending a common policy approval by the Committee for this line item.**

**VEHICLE LEASE PAYMENTS**

This line item is used to pay for motor vehicles, which must be acquired through the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S.

- ❑ ***Decision Item #9 - Annual Fleet Vehicle Replacements and February 9, 2009, Statewide Budget Amendment.***

**Request:** The Department requests the replacement of 12 vehicles in its fleet for FY 2009-10.

**Staff recommends the Committee approve the request for 12 vehicle replacements in FY 2009-10.** According to staff calculations and by applying Committee policy, all the requested vehicles are projected to have between 124,000 and 262,000 miles by March 1, 2010.

**The staff recommendation on funding the vehicle lease payment line item is pending a Committee policy for the line.**

**LEASED SPACE**

This line item is used by the Department of Personnel and Administration to pay for the department's leases of private office space. The department requests a total of \$1,275,332 for its leased space needs in FY 2009-10, including \$425,548 General Fund. The funding request is based on continuation funding plus a \$4,430 reduction (\$9,265 General Fund reduction and \$4,835 reappropriated funds increase) to annualize a FY 2008-09 statewide supplemental request for the Management and Administration of OIT.

**Staff recommends the Committee approve an appropriation of \$1,270,593 for the Department of Personnel and Administration's leased space appropriation for FY 2009-10.** This recommendation is based on updated costs submitted by the Department.

<b>Leased Space for Department of Personnel and Administration, FY 2009-10</b>	
<b>Division</b>	<b>Annual Cost</b>
Executive Office	152,969
Human Resources	81,413
Personnel Board	49,564
Central Services	322,486
Finance and Procurement	307,259
Administrative Courts	356,902

Leased Space for Department of Personnel and Administration, FY 2009-10	
Division	Annual Cost
<b>TOTAL</b>	<b>1,270,593</b>

Based on the above, staff recommends the Committee approve fund splits of \$414,298 General Fund, \$17,163 cash funds, and \$839,132 reappropriated funds. The staff recommendation for fund splits is based on the following allocations:

Staff Recommendations for Lease Space Fund Splits, FY 2009-10				
Division	General Fund	Cash Funds	RF	TOTAL
Executive Office	152,969	0	0	<b>152,969</b>
Human Resources	6,381	0	75,032	<b>81,413</b>
Personnel Board	49,564	0	0	<b>49,564</b>
Central Services	0	0	322,486	<b>322,486</b>
Finance & Procurement	205,384	17,163	84,712	<b>307,259</b>
Administrative Hearings	<u>0</u>	<u>0</u>	<u>356,902</u>	<u><b>356,902</b></u>
<b>TOTAL</b>	<b>414,298</b>	<b>17,163</b>	<b>839,132</b>	<b>1,270,593</b>

**CAPITOL COMPLEX LEASED SPACE**

This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex. These buildings include those that are in downtown Denver, on the North Campus, in Lakewood (Pierce Street), and in Grand Junction. The Department of Personnel and Administration does not occupy space at Camp George West or at the Pierce Street location in Lakewood. The request for capitol complex leased space is for \$830,653 including \$562,085 General Fund. **The staff recommendation for this line item is pending Committee approval of a common policy for capitol complex leased space.**

DEPARTMENT OF PERSONNEL - Capitol Complex Leased Space			
	FY 2009-10 Request		
	Square Footage	Rate	Total
Capitol Complex	54,830	TBD	TBD
North Campus	30,860	TBD	TBD
Grand Junction	1,459	TBD	TBD

	Square Footage	Rate	Total
<b>TOTAL</b>	<b>87,149</b>		<b>PENDING</b>
General Fund			<b>Pending</b>
Cash Funds			<b>Pending</b>
Cash Funds Exempt			<b>Pending</b>

**COMMUNICATIONS SERVICES PAYMENTS**

This line item is used to pay for the department's share of the costs associated with operating the public safety communications infrastructure. The department requests \$887 General Fund for FY 2009-10. **The staff recommendation on this line item is pending a Committee common policy for communications services.**

**TEST FACILITY LEASE**

- Decision Item #13 - FY 2009-10 Long Bill Realignment.*** Staff recommended this portion of Decision Item #13 to move the Test Facility Lease line into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

**EMPLOYMENT SECURITY CONTRACT PAYMENT**

- Decision Item #13 - FY 2009-10 Long Bill Realignment.*** Staff recommended this portion of Decision Item #13 to move the Employment Security Contract Payment line into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

**EMPLOYEES EMERITUS RETIREMENT**

- Decision Item #13 - FY 2009-10 Long Bill Realignment.*** Staff recommended this portion of Decision Item #13 to move the Employees Emeritus Retirement line into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 - SECURITY REMEDIATION**

This line item was created in FY 2004-05 to address the needs of the Department of Personnel and Administration's compliance with the Health Insurance Portability and Accountability Act of 1996's (HIPAA) security rule. The Department of Personnel and Administration is considered a hybrid entity under HIPAA as it is responsible for the administration of employee health benefits.

The United State Department of Health and Human Services has implemented the Health Insurance

Portability and Accountability Act (HIPAA) through a series of federal regulations. Each new HIPAA rule must be implemented within two years of being made final.

The HIPAA Security Rule specified a series of administrative, technical, and physical security procedures for covered entities to use to assure the confidentiality of electronic protected health information. The Department is appropriated funds to perform a risk assessment on a bi-annual basis. The computer systems that are impacted by the Security Rule involve either the Colorado State Employee Assistance Program (CSEAP), administration of the State's employee group benefit plans, or the Division of Central Services - Integrated Document Solutions - which handles data entry and mailing functions on behalf of Colorado Benefits Management System, and other HIPAA related data for other departments.

<b>(1) Executive Office - HIPAA - Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional	1.0	1.0	1.0	1.0
IT Professional	1.0	0.0	0.0	0.0
<b>Total</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

The staff recommendation is summarized in the table below.

<b>Summary of Recommendation</b>				
<b>(1) Executive Director's Office (A) Department Administration, HIPAA — Department of Personnel and Administration</b>				
	<b>??</b>	<b>??</b>	<b>??</b>	<b>??</b>
Personal Services (Estimate)	135,301	53,043	82,258	0.0
Operating Expense (Estimate)	125,903	53,043	72,860	0.0
0	261,204	106,086	155,118	0.0
Salary Survey Awarded in FY 08-09	7,890	7,890	0	0.0
80 % of Performance pay for FY 08-09	2,241	2,241	0	0.0
<b>Continuation Estimate</b>	<b>271,335</b>	<b>116,217</b>	<b>155,118</b>	<b>0.0</b>
Annualize FY 09 HIPAA Risk Assessment	(35,000)	0	(35,000)	0.0
<b>Total Recommendation</b>	<b>236,335</b>	<b>116,217</b>	<b>120,118</b>	<b>0.0</b>

Staff recommends the Committee approve \$202,769 and 1.0 FTE for HIPAA security compliance. Of the recommended amount, \$82,651 is General Fund and \$120,118 is reappropriated funds (transfers from other state agencies).

**(1) EXECUTIVE DIRECTOR'S OFFICE,  
(B) STATEWIDE SPECIAL PURPOSE**

## (1) COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM

- ❑ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Colorado State Employee Assistance Program line from the Division of Human Services, into the EDO, (B) Statewide Special Purpose, (1) Colorado State Employee Assistance Program.
- ❑ **Decision Item #7 - Ombuds Program Base Increase.** The Department requests \$69,750 reappropriated funds (charges to state agencies for Workers' Compensation premiums) and 1.0 FTE to support a new trial State Ombuds Program which will support and complement the Employee Assistance Program (EAP).

**Department Justification for the Request.** The Department requests the funding of 1.0 FTE in order to officially launch a trial Ombuds Program to complement the existing Employee Assistance Services (EAP). The focus of the Ombuds Program will be to provide employees with open communication and information regarding issues that affect their work life.

The premise of the program is that workplace conflict is increasing for employees in state government, oftentimes between employees and their supervisors. The Department states that employees are doing more work with fewer resources. The Department states that with budgets being tight, employees not performing at maximum levels are under significant pressure.

The Department states that it established the Ombuds Program in May 2007 as an alternate communications channel and conflict resolution resource. The Department states that the program differs from the EAP in that it is (1) informal, (2) neutral and impartial, (3) confidential, and (4) independent.

**Staff analysis.** Staff notes that the Committee approved a decision item for FY 2008-09 to fund 5.5 additional FTE in the C-SEAP. At the time, the Department requested additional FTE in order to mitigate certain State business risks more effectively by avoiding productivity and workplace issues associated with organizational conflict, personal issues, and related workers' compensation and liability claims and litigation. In staff's opinion, the FTE that were funded in FY 2008-09 were intended to address similar, if not the same issues related to the new Ombuds Program the Department is requesting funding for. In addition, this new 1.0 FTE would be funded from agency allocations from their Workers' Compensation allotment, thus, increasing costs of the Workers' Compensation program by \$69,750 (including an estimated \$31,388 General Fund).

**Staff does not recommend the Committee fund Decision Item #7.** Staff feels that funding an additional FTE in a program that received 5.5 FTE in the prior year to take care of the same employee work related issues, may not be the most prudent use of limited resources in a year when the State is experiencing significant revenue shortfalls.

Pursuant to Section 24-50-604 (1) (k) (I), 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 any emotional, mental, or personal problem, which may be affecting an employee's ability to function at work. The program also provides guidance to program managers to address these workplace issues. Funding for the program, beginning in FY 2003-04, is from the Group Benefits Plan Reserve Fund, the Risk Management Fund, and any interest earned from these funds. This funding stream is established pursuant to Section 24-50-604 (1) (k) (IV), C.R.S. However, staff notes that statute does not limit funding to these three sources.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose (1) Colorado State Employee Assistance Program — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Support/Clerical	0.9	2.0	2.0	2.0
General Professional	<u>3.2</u>	<u>8.0</u>	<u>9.0</u>	<u>8.0</u>
<b>Total</b>	<b>4.1</b>	<b>10.0</b>	<b>11.0</b>	<b>10.0</b>

**PERSONAL SERVICES**

The Department is requesting an appropriation of \$694,732 reappropriated funds and 11.0 FTE. This request includes funding for Decision Item #7 discussed above.

Staff recommendation for funding of the C-SEAP line is shown below:

<b>Summary of Personal Services Recommendation (1) Executive Director's Office, (B) Statewide Special Purpose (1) Colorado State Employee Assistance Program, Personal Services — Staff Recommendation</b>		
	<b>RF</b>	<b>FTE</b>
FY 2008-09 Appropriation	550,735	10.0
FY 2008-09 Salary Survey	8,872	0.0
FY 2008-09 Performance Awards at 80 %	2,651	0.0
Add Back FY 2008-09 Hiring Freeze Savings	<u>69,089</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>631,347</b>	<b>10.0</b>

**OPERATING EXPENSES**

The Department has requested an appropriation of \$59,341 reappropriated funds. The request includes four components: \$71,828 continuation funding, a reduction of \$19,003 for the annualization of FY 2008-09 SWDI #3 - C-SEAP Program Funding, an increase of \$151 for statewide mail costs, and an increase of \$6,365 for **Decision Item #7 - Ombuds Program Base Increase**.

**Staff recommends the Committee approve funding \$52,976 reappropriated funds.**

<b>Summary of Personal Services Recommendation</b> <b>(1) Executive Director's Office, (B) Statewide Special Purpose</b> <b>(1) Colorado State Employee Assistance Program, Operating Expenses — Staff Recommendation</b>	
	<b>RF</b>
FY 2008-09 Appropriation	71,828
Annualization of FY 09 SWDI - 3 C-SEAP Funding	(19,003)
SWDI Mail and Postage Increase	<u>151</u>
<b>Total Recommendation</b>	<b>52,976</b>

**INDIRECT COST RECOVERIES**

The Department requests an appropriation of \$112,816 pursuant to the statewide indirect cost recovery plan. **Staff recommends the Committee approve the department's request, which is pursuant to established common policy.**

**(1) EXECUTIVE DIRECTOR'S OFFICE,  
(B) STATEWIDE SPECIAL PURPOSE**

**(2) OFFICE OF THE STATE ARCHITECT**

- ☐ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Real Estate Services Program line from the division of Finance and Procurement, into the EDO, (B) Statewide Special Purpose, (4) and re-name it "Office of the State Architect".

The newly created Office of the State Architect (previously the Real Estate Services Program) establishes policies and procedures for the state's capital construction process, (including controlled maintenance) at each state agency and institutions of higher education. These policies and procedures include project administrative services related to design and management to state agencies. It also provides the same services for lease review.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose Office of the State Architect — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional/ Manager	2.8	3.0	3.0	3.0
Architect/Engineer	2.0	2.0	2.0	2.0
Support/Clerical	0.8	1.0	1.0	1.0
<b>Total</b>	<b>5.6</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

### **PROGRAM FUNDING**

The department is requesting an appropriation of \$518,728 for this program and 6.0 FTE. **Staff recommends the Committee fund the Department's request.** Staff notes that the request is composed of FY 2008-09 supplemental and FY 2009-10 budget amendment request for operating reductions related to out of state travel, professional dues, memberships, registrations, printing, postage, supplies, and printer maintenance.

<b>Summary of Personal Services Recommendation (1) Executive Director's Office, (B) Statewide Special Purpose Office of the State Architect — Staff Recommendation</b>				
	<b>Total</b>	<b>GF</b>	<b>RF</b>	<b>FTE</b>
FY 2008-09 Personal Services (Estimate)	467,796	467,796	0	6.0
FY 2008-09 Operating Expenses (Estimate)	<u>49,338</u>	<u>49,338</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Appropriation	<b>517,134</b>	<b>517,134</b>	<b>0</b>	<b>6.0</b>
FY 2008-09 Salary Survey	18,001	18,001	0	0.0
FY 2008-09 Performance Awards at 80 %	6,302	6,302	0	0.0
FY 2009-10 BA-1 Operating Reduction	<u>(22,709)</u>	<u>(22,709)</u>	<u>0</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>518,728</b>	<b>518,728</b>	<b>0</b>	<b>6.0</b>

### **(1) EXECUTIVE DIRECTOR'S OFFICE, (B) STATEWIDE SPECIAL PURPOSE**

#### **(3) COLORADO STATE ARCHIVES**

- Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Information and Archival Services program into the EDO, (B) Statewide Special Purpose, (3) "Colorado State Archives".

This section manages the state's homepage on the Internet and sets forth the standard records

retention policies for state government. It also preserves and maintains historical documents pertaining to Colorado territorial and State history.

<b>(1) Executive Director's Office, (B) Statewide Special Purpose Colorado State Archives — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional	3.0	3.5	3.5	3.5
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>
<b>Total</b>	<b>7.9</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>

**PERSONAL SERVICES**

The Department is requesting \$538,085 (\$433,373 General Fund, \$93,811 cash funds, and \$10,901 reappropriated funds) and 8.5 FTE.

Staff recommendation is based on the table below.

<b>Summary of Personal Services Recommendation</b>						
<b>(1) Executive Director's Office, (B) Statewide Special Purpose Colorado State Archives — Staff Summary</b>						
	Total	General Fund	Cash Funds	RF	FTE	
FY 2008-09 Appropriation	485,461	380,749	93,811	10,901	8.5	
FY 2008-09 Salary Survey	23,251	23,251	0	0	0.0	
FY 2008-09 Performance Awards at 80 %	6,710	6,710	0	0	0.0	
Annualize FY 09 Vacancy Savings Supplemental	22,663	22,663	0	0	0.0	
<b>Total Personal Services Recommendation</b>	<b>\$ 538,085</b>	<b>\$ 433,373</b>	<b>\$ 93,811</b>	<b>\$ 10,901</b>	<b>8.5</b>	

**OPERATING EXPENSES**

This line item provides operating funds for the State's archival services and records management. The Department requests funding of \$56,794 General Fund for this line item. **Staff does not recommend the Committee approve an appropriation of \$56,794 General Fund. Instead, staff recommends funding of \$47,082 (\$25,294 General Fund, \$17,904 cash funds, and \$3,884 reappropriated funds). This funding level is continuation funding from FY 2008-09 reflecting a supplemental request by the Department to better adjust funding and funding splits for anticipated cash fees revenues.**

**(1) EXECUTIVE DIRECTOR'S OFFICE,  
(B) STATEWIDE SPECIAL PURPOSE**

**(4) OTHER STATEWIDE SPECIAL PURPOSE**

- ☐ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Test Facility Lease line item from the EDO into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

**TEST FACILITY LEASE**

The appropriation to 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 under the Love Administration agreed to lease 33,492 acres of land free of charge for 150 years to the U.S. Transportation Department, Federal Railroad Commission (FRC), for a high speed train test site in order to boost economic development in that region. The site presently employs approximately 450 people.

The land is leased from the State Land Board to the Department of Personnel and Administration and is sub-leased to the Federal Railroad Commission free of charge. The lease cost \$116,351 General Fund in FY 2004-05. The original 50-year lease agreement will expire on August 1, 2020. In FY 2001-02, the JBC approved an inflationary increase that brought the appropriation to a level of \$116,351. The contract subjects the lease to a five year review beginning in August of 1970. The last lease review was in August 2005. For FY 2006-07, the Department requested an inflationary increase of \$3,491, which the Committee approved.

**Staff recommends the Committee approve an appropriation of \$119,842 General Fund pursuant to the five year review and revision of the contract.** This appropriation should remain in effect until the next review period - scheduled for FY 2010-11.

**EMPLOYMENT SECURITY CONTRACT PAYMENT**

- ☐ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Employment Security Contract Payment line into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

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

The Department has requested a continuation appropriation of \$17,400. In FY 1998-99, the Department re-negotiated the contract to a lower rate (from \$19,400 to \$17,400). **Staff recommends**

**the Committee approve a continuation appropriation for FY 2009-10 of \$17,400 (\$10,889 General Fund and \$6,511 reappropriated funds- transfers from other state agencies).**

#### **EMPLOYEES EMERITUS RETIREMENT**

- ❑ ***Decision Item #13 - FY 2009-10 Long Bill Realignment.*** Staff recommended this portion of Decision Item #13 to move the Employees Emeritus Retirement line into the EDO, (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group.

This appropriation supports payments to retired state workers under a program that expired. According to the Department, there are former state employees who are still eligible to receive this payment in FY 2009-10. Currently, there is no statutory authority for this program. As summarized below, the program was created in 1967, amended in 1975, amended in 1980, and repealed in 1987.

- ❑ *Senate Bill 67-120.* This bill created the program which allowed 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 original act required eligible employees to apply for benefits by July 1, 1968. The act allowed for recipients to receive \$125 per month, less any pension or retirement funds supported in part by the State. The original act also called for payments to be prorated on an equal monthly basis within the limits of the appropriations made.
- ❑ *House Bill 75-1254.* This bill changed the required retirement date from July 1, 1967 to July 1, 1975. It changed the enrollment date from July 1, 1968 to July 1, 1976. The bill increased the maximum monthly payment from \$125 to \$200. It authorized the maximum monthly payment to increase by 3.0 percent each year. The provision for payments to be prorated on an equal monthly basis within the limits of the appropriations made was not changed by the bill.
- ❑ *Senate Bill 80-48.* This bill increased the maximum monthly payment in FY 1980-81 by 8.0 percent *or* the average salary survey, whichever was higher. For subsequent fiscal years, the bill added a provision allowing the maximum monthly payment to be increased by an amount equal to the average salary survey. The provision for payments to be prorated on an equal monthly basis within the limits of the appropriations made was not changed by the bill.
- ❑ *Senate Bill 87-143.* This bill, which was endorsed by the Public Employees Retirement Association (PERA), repealed the program. According to the legislative liaison for PERA, PERA did not believe that this bill would stop retirement benefits from being paid for employee emeritus retirements. PERA assumed that the statutory provisions would not be required to continue the program for existing participants because the program was not available to new participants.

The department requests \$7,290 General Fund for the Employees Emeritus Retirement line item; this

represents a continuation of a \$4,080 reduction to this line for FY 2008-09.

**Staff recommends that the Committee approve an appropriation of \$7,290 General Fund.**

Employees who participate in the program are anticipating these retirement benefits. If they are not provided, it may create a hardship for these individuals. Furthermore, it was legislation drafted by PERA that eliminated the statutory language for these retirees. It was not PERA's intent to discontinue their benefits.

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**(2) DIVISION OF HUMAN RESOURCES**

This division is responsible for the administration of the State's classified personnel system, which includes approximately 31,138 FTE appropriated by the General Assembly (excluding the Department of Higher Education). It also administers the employee benefits programs (such as group health, life, and dental plans), manages statewide systems for payroll and employee databases, and operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies.

**The Division of Human Resources has submitted the following requests for JBC consideration for FY 2009-10:**

- **Decision Item #2 - Training Services Base Increase.** The Professional Development Center (PDC), residing within the Training Services Program is seeking 1.0 FTE and \$70,097 cash funds (training revenue) in FY 2009-10 and 2.0 FTE (a total of two for the two years) and \$151,101 cash funds in order to expand training courses offered to state employees.

**(A) HUMAN RESOURCE SERVICES**

**(1) State Agency Services**

This section provides interpretation of applicable rules and regulations and handles appeals to the State Personnel Director from employees. It provides policy guidance for state benefits which include the Performance Based Pay Plan and the annual Total Compensation Survey. The section creates and maintains the job evaluation systems, develops compensation and annual leave policies. Furthermore, this section provides direct human resources services to the following non-decentralized state agencies: Office of the Governor, Department of Treasury, and certain colleges in the Department of Higher Education.

<b>(2) Division of Human Resources (A) Human Resource Services (1) State Agency Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Director/Management	1.2	1.7	1.7	1.7
General Professional	16.9	20.0	20.0	20.0
Accounting/Budget	0.0	0.0	0.0	0.0
Support/Clerical	4.7	5.5	5.5	5.5
<b>Total</b>	<b>22.8</b>	<b>27.2</b>	<b>27.2</b>	<b>27.2</b>

**PERSONAL SERVICES**

The personal services line item for State Agency Services pays for salary, PERA contributions of the



state, and Medicare taxes for the program's staff. In previous years, it also funded contractual services. The Department is requesting an appropriation of \$2,127,164 reappropriated funds and 27.2 FTE. The reappropriated funds request represents indirect cost recoveries available to offset the need for General Fund in this division.

**Staff Recommendation:** Staff recommends the Committee approve an appropriation of \$2,037,450 reappropriated funds (indirect cost recoveries) and 26.2 FTE. The staff recommendation is calculated pursuant to Committee common policy.

The Staff calculation takes out 1.0 FTE to account for a supplemental request by the Department to move spending authority from the State Agency Services Line item into the Training Services line item for FY 2008-09, to increase the transfer for FY 2009-10, and move 1.0 FTE from State Agency Services to Training Services. Staff recommends the Department's request to move spending authority, but staff does not recommend adding FTE in Training Services. This program is one that had 2.0 FTE in FY 2005-06 and reverted all of the FTE spending authority for FY 06, FY 07, and FY 08. Staff does not believe that the program has yet established a stable revenue source in order to support an FTE.

<b>Summary of Personal Services Recommendation</b>			
<b>(2) Human Resource Services Division (A) Human Resource Services</b>			
<b>(1) State Agency Services — Department of Personnel and Administration</b>			
	<b>Total</b>	<b>RF</b>	<b>FTE</b>
FY 2008-09 Appropriation	1,950,948	1,950,948	27.2
FY 2008-09 Salary Survey	83,592	83,592	0.0
FY 2008-09 Performance Awards at 80%	23,784	23,784	0.0
Annualize FY 09 Supplemental to Transfer Funding to Training Services	(44,857)	(44,857)	(1.0)
Add Back FY 2009 Hiring Freeze Savings	<u>23,983</u>	<u>23,983</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>2,037,450</b>	<b>2,037,450</b>	<b>26.2</b>
* The source of reappropriated funds is from indirect cost recoveries.			

**OPERATING EXPENSES**

The Department is requesting a continuing appropriation of \$88,462 plus an increase of \$411 for statewide decision items for mail and postage increases for a total request of \$88,873. Staff notes that the appropriation annualizes (adds back) \$7,519 of FY 2009 one-time operating expenses savings. **Staff recommends the Committee approve an appropriation of \$88,873 reappropriated funds (indirect cost recoveries).**

**(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.

<b>(2) Human Resource Services Division (A) Human Resource Services Section (2) Training Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>

**PERSONAL SERVICES**

There were no personal services appropriations in FY 2007-08 and FY 2008-09 for this program.

- ☐ ***Decision Item #2 - Training Services Base Increase.*** The Professional Development Center (PDC), residing within the Training Services Program is seeking 1.0 FTE and \$70,097 cash funds (training revenue) in FY 2009-10 and 2.0 FTE (a total of two for the two years) and \$151,101 cash funds in order to expand training courses offered to state employees.

**Department justification for request.** The Department submitted a similar request for FY 2008-09 requesting 1.0 FTE due to an increase in demand and enrollment into the program's training courses.

The Department states that its classes have been full and that there have been waiting lists for certain classes. The Department also states that the program has begun to develop several new offerings customized to agency demands. The plans for new classes include: Managing from the Middle, Change Management, Dealing with Difficult People, Managing a Diverse Workforce, New Skills for Seasoned Managers, Time Management (CSU), Business Writing (ACC), Employment Law for Managers and Supervisors, Strategic Planning and Performance Management.

The program seeks spending authority and FTE to dedicate staff to the program and to be able to pay for additional contracted instructional classes to augment the State's outreach.

**Staff Analysis.** Staff recommended against providing FTE for this program because it had not been able to generate enough revenue to support a position. The Department states that its FY 06 revenue was \$96,000, FY 07 revenue was 121,000 and FY 2008 revenue was \$230,360. The Department has shown a trend toward increasing revenues. However, revenues for the program in FY 03 were \$269,000, in FY 04 233,000, in FY 05 \$108,000, and in FY 06 \$96,000.

The Department also stated that it believes it is plausible that agencies stopped spending on training because of the revenue shortfall starting with FY 2003 and the subsequent budget cuts.

**Staff feels that the State is currently experiencing similar revenue shortfalls and it is plausible to believe that agencies may not have sufficient funds to allocate for training courses for their employees. Thus, staff feels that funding additional FTE in this line may be premature.**

**However, staff does recommend funding a contingency for the department in order to allow Training Services to collect revenue in the event that demand maintains or grows. Staff feels that a \$100,000 additional spending contingent authority will help ease the Department's concerns of having demand for courses but not being able to offer them due to reaching the appropriation limit for the line.**

The table below shows staff calculation for the Training Services program line.

<b>Summary of Personal Services Recommendation</b>			
<b>(2) Human Resource Services Division (A) Human Resource Services (2) Training Services Program — Department of Personnel and Administration</b>			
	<b>Total</b>	<b>Cash Funds</b>	<b>RF</b>
FY 2008-09 Appropriation	123,837	70,893	52,944
Annualize FY 2009 Supplemental to Move Spending Authority from State Agency Services	44,857	25,679	19,178
FY 2009-10 Additional Contingent Spending Authority	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>
<b>Total Recommendation</b>	<b>268,694</b>	<b>146,572</b>	<b>122,122</b>
* The cash funds are from the sale of job reference manuals and training revenue from state enterprises and non-state agencies. The reappropriated funds are from training revenues received from state agencies.			

**(A) HUMAN RESOURCE SERVICES**  
**(3) Colorado State Employees Assistance Program**

☐ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Colorado State Employee Assistance Program line from the Division of Human Services, into the EDO, (B) Statewide Special Purpose, (3) Colorado State Employee Assistance Program.

**(B) EMPLOYEE BENEFITS SERVICES**

This section administers and oversees the state's employee benefits program, the Deferred Compensation Plan, and the Defined Contribution Plan. It provides the initial design of these programs as well as the subsequent contractual, administrative, and financial management of these programs. The programs include the following: (1) three dental plans (effective July 1, 2005); (2) six medical plans (as of July 1, 2006); (3) one optional life and accidental death and disability plan; (4) one short-term disability plan; (5) one long-term disability plan; (6) two Section 125 Flexible Spending Account Programs; (7) the 457 Deferred Compensation Program; and (8) the Defined Contribution Plan for select non-classified staff. The State is currently operating four self-insured medical plans.

<b>(2) Human Resource Services</b>				
<b>(B) Employee Benefits Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional	6.3	8.0	8.0	8.0
Accounting	1.1	1.2	1.2	1.2
Support / Clerical	<u>3.6</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>
<b>Total</b>	<b>11.0</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>

**PERSONAL SERVICES**

The Department is requesting an appropriation of \$986,151 (\$21,883 General Fund and \$920,776 cash funds, and \$43,502 reappropriated funds) and 12.5 FTE.

**Staff recommends the Committee approve an appropriation of \$992,401 (\$948,899 cash funds and \$43,502 reappropriated funds from the Group Benefit Plans Reserve Fund, the Deferred Compensation Administration Fund, and the Defined Contribution Administration Fund) and 12.5 FTE.** Staff notes that funding for FY 2008-09 contained \$21,883 General Fund and 0.5 FTE associated with H.B. 07-1335 (a bill to supplement the state group health benefit plan premiums of low income state employees). As part of a General Fund saving proposal, staff recommended that the Committee refinance the 0.5 FTE with funds from the funds mentioned above that fund the remainder of the program activities.

The staff technical correction for \$6,250 cash funds has to do with an error related to the HB 07-1335 appropriation where \$6,250 cash funds for temporary services was appropriated to the Operating Expenses line instead of the Personal Services line.

<b>Summary of Personal Services Recommendation (2) Human Resource Services Division (B) Employee Benefits Section — Department of Personnel and Administration</b>				
	<b>Total</b>	<b>Cash Funds</b>	<b>RF</b>	<b>FTE</b>
FY 2008-09 Appropriation	952,805	942,649	10,156	12.5
FY 2008-09 Salary Awards	25,889	0	25,889	0.0
FY 2008-09 Performance Awards at 80%	7,457	0	7,457	0.0
Staff Technical Correction to HB 07-1335 Appropriation	<u>6,250</u>	<u>6,250</u>	<u>0</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>992,401</b>	<b>948,899</b>	<b>43,502</b>	<b>12.5</b>

### **OPERATING EXPENSES**

The Department is requesting an appropriation of \$123,579 (\$70,500 General Fund related to HB 07-1335, \$52,225 cash funds, and \$854 reappropriated funds related to the mail and postage increase decision items). **Staff recommends the Committee fund \$117,329 (\$116,475 cash funds and \$854 reappropriated funds) for operating expenses.** Staff notes that funding for FY 2008-09 contained \$70,500 General Fund associated with H.B. 07-1335 (a bill to supplement the state group health benefit plan premiums of low income state employees). As part of a General Fund saving proposal, staff recommended that the Committee refinance the General Fund with cash funds from the funds mentioned in the Personal Services line above, these funds provide funding for the remainder of the program activities within Employee Benefits Services.

The remainder of the changes have to do with a staff technical correction for \$6,250 cash funds for temporary services that were appropriated in error in HB 07-1335 to the Operating Expenses line instead of the Personal Services line. In addition, staff recommends \$854 for the Department of personnel mail and postage increase decision items.

### **UTILIZATION REVIEW**

This appropriation supports the audits of benefits plans administered by the State to ensure that they are financially sound and accurate. The Department has requested a continuation level of funding for FY 2009-10.

**Staff recommends the request for a continuation level of funding and an appropriation of \$40,000 cash funds (Group Benefit Plans Reserve Fund).** The department has indicated that it plans expenditures from this line item for two purposes; both associated with the group benefits program. It plans \$12,500 to pay for dues associated with membership in the Colorado Business Group on Health. This organization is a non-profit company that represents large purchasers of health care services in the state. It plans to use an additional \$27,500 on contractual services for utilization of the plan and financial analysis. Work includes determining unit costs and trends and cost drivers such as medical procedures and demographics. Financial analysis is needed to ensure premiums are adequate to meet claims and reserves are at adequate levels.

### **DEFERRED COMPENSATION PLANS**

The Deferred Compensation Plan administers the state employees' 457 Deferred Compensation Plan.

The plan is established in Section 24-52-102 and the State Personnel Director shall manage the plan. Appropriations for the plan support mailings, dues and memberships, registration fees, and contracted services. In FY 2003-04 and FY 2004-05 the state contracted with Great-West Life to market the plan to eligible employees in the Higher Education system; the contract was for \$98,477. The contract ended in FY 2004-05, thus the department requests an appropriation similar to that of FY 2002-03 which was \$84,500.

**Staff recommends the Committee approve an appropriation of \$84,500 reappropriated funds(Deferred Compensation Administration Fund) for FY 2009-10.**

#### **DEFERRED COMPENSATION ADMINISTRATION (TPA)**

The department is requesting a continuation of the Deferred Compensation Administration (TPA) line for FY 2009-10. The request is for \$682,000 reappropriated funds (Deferred Compensation Administration Fund). Any contract entered into by the state will be for three years with two one-year optional renewals at the discretion of the state. Thus, the state will either submit another RFP for 2008, 2009, or 2010.

**Staff recommends the Committee approve the Department's request for FY 2009-10 for \$682,000 reappropriated funds (Deferred Compensation Administration Fund).**

#### **DEFINED CONTRIBUTION PLANS**

The Department is requesting a continuation of appropriation for this line item for FY 2009-10 in the amount of \$11,226 reappropriated funds (Defined Contribution Plan Administration Fund).

**Staff recommends the Committee approve the Department's request for this line item in the amount of \$11,226 reappropriated funds (Defined Contribution Plan Administration Fund).**

#### **DEFERRED COMPENSATION PLAN AND DEFINED CONTRIBUTION PLANS PERFORMANCE AUDITS - CFE**

The Department submitted Budget Amendment #4 during the FY 2007-08 budget cycle to provide resources necessary in order to fund audits for the Deferred Compensation Plan and Defined Contribution Plans. This was a one-time request, for FY 2007-08.

**Staff recommends the Committee approve the Department's request not to appropriate funds for this line item in FY 2009-10.**

#### **H.B. 07-1335 PILOT DISEASE MANAGEMENT PROGRAM**

This line item is included in the numbers pages for informational purposes to show the funds that HB 07-1335 appropriated to the Department for a one-time pilot child asthma program to review the extent to which disease management and other health plan innovations may lower health insurance costs for state employees. **The Committee does not need to take action on this line.**

#### **S.B. 07-97 SUPPLEMENTAL STATE CONTRIBUTION FUND**

This line is included for informational purposes to show the amount of tobacco litigation settlement money allocated pursuant to S.B. 07-97 to supplement the state contribution to the medical and dental benefit plan premiums of all state employees. For FY 2007-08 the funds supplemented every state employee's medical contribution by \$2.26 per month. **The Committee does not need to take action on this line item.**

**H.B. 07-1335 SUPPLEMENTAL STATE CONTRIBUTION FUND**

Beginning with FY 2008-09, this bill reallocated tobacco litigation settlement money previously allocated pursuant to S.B. 07-97, to only supplement the state contribution to the medical and dental benefit plan premiums of lower-income state employees who have at least one dependent other than their spouse.

The Department is requesting to include \$1,739,729 (Supplemental State Contribution Fund) for this line item for informational purposes in the FY 2009-10 Long Bill. **Staff recommends the Committee approve the Department's request.**

**INDIRECT COST RECOVERIES**

The Department requests an appropriation of \$314,180 reappropriated funds pursuant to the statewide indirect cost recovery plan. **Staff recommends the Committee approve the department's request, which is pursuant to established common policy.**

**(C) RISK MANAGEMENT SERVICES**

This office protects the state's human resource and property assets through the administration of liability, property, workers' compensation, and loss control programs. Services include accident investigation, legal defense, safety training, hazard mitigation, building inspection, insurance procurement, claim evaluation, and data collection. 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".

(2) Human Resource Services Division (C) Risk Management Section — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
General Professional	5.1	6.0	6.0	6.0
Accounting	0.8	0.8	0.8	0.8
Support/Clerical	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
<b>Total</b>	<b>8.1</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

**PERSONAL SERVICES**

The Department is requesting an appropriation of \$659,211 reappropriated funds (Risk Management Fund, Self-Insured Property Fund, and the State Employee Workers' Compensation Account) and 9.0 FTE. **Staff recommends the Committee approve \$659,211 reappropriated funds and 9.0 FTE.** This recommendation is calculated consistent with Committee common policy.

<b>Summary of Personal Services Recommendation</b> <b>(2) Human Resource Services Division</b> <b>(C) Risk Management — Department of Personnel and Administration</b>		
	RF	FTE
FY 2008-09 Appropriation	575,333	9.0
FY 2008-09 Salary Survey	20,034	0.0
FY 2008-09 Performance Awards at 80 %	5,834	0.0
Add Back Fy 2009 Hiring Freeze Savings	<u>58,010</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>659,211</b>	<b>9.0</b>

**OPERATING EXPENSES**

The Department is requesting an appropriation of \$57,311 reappropriated funds (Risk Management Fund, Self-Insured Property Fund, and the State Employee Workers' Compensation Account). The request includes \$207 for the Department of Personnel mail and postage increase decision items. **Staff recommends the Committee approve the department's request for operating expenses.**

**AUDIT EXPENSES**

In FY 2000-01, the General Assembly created this line item for an appropriation related to the periodic audit of the self-insured or self-administered risk management programs pursuant to Section 24-30-1513, C.R.S. This line item is funded from reserves in the Risk Management Fund, the Self-Insured Property Fund, and the Workers' Compensation Fund. The audit is performed via contract with the State Auditor's Office to review the underwriting techniques, funding procedures, loss reserves, claims procedures, and accounting practices are being followed in the workers' compensation, property and liability programs. The department is not requesting an appropriation for this line item in FY 2009-10 and further states that this line item should not require an appropriation again until FY 2011-12. **The Committee does not need to take action on this line.**

**LEGAL SERVICES**

This line item is used by the Risk Management Division to pay for legal expenses associated with the Liability Program in the Risk Management Services Section. The statutory authority for this line item is found in Section 24-30-1507, C.R.S. Funds in the Liability Program are continuously appropriated for this line item pursuant to Section 24-30-1510 (1) and Section 24-30-1510 (3) (a), C.R.S. Funds in the State Employee Workers' Compensation Account are subject to annual appropriation by the General Assembly.

Staff notes that for the past five years the Department has been appropriated a steady level of 31,860 legal services hours. The Department is requesting a continuation funding level for this line item.



**Staff recommends the Committee approve an appropriation for 31,860 hours of legal services for FY 2009-10, which represents a continuation level of hours from FY 2009-10. The recommended appropriation is pending a common policy for a legal services hourly rate. Staff also recommends funds be appropriated from the Risk Management Fund.**

#### **LIABILITY PREMIUMS**

The liability program is used to pay 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. The state is self insured for the Liability Program. 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 judgements 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.). Therefore, there is no damage limit for these awards. The Liability Program 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: payments from state agencies and interest. 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 \$8,977,137 reappropriated funds for FY 2009-10. These funds represents transfers from non-state and other state agencies, respectively, that are deposited in the Risk Management Fund. **Staff recommends the Committee not take action on this line pending common policy figure setting for liability premiums.**

#### **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 receive revenues from two primary sources: payments from state agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated pursuant to Section 24-30-1510.5 (1), C.R.S.

The department requests an appropriation of \$11,855,953 reappropriated funds for FY 2009-10. **Staff recommends the Committee not take action on this line pending common policy figure setting for property premiums.**

#### **WORKERS' COMPENSATION PREMIUMS**

The workers' compensation program is used to pay workers' compensation benefits to state employees. Like the liability program, the state is self-insured for workers' compensation claims. Unlike the liability program, the Governmental Immunity Act does not apply to workers'

compensation claims. There are two broad categories of workers' compensation payments: medical payments and indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum for medical benefits. The state's ultimate liability for any one claim could be significant if a severely injured employee lives for a long period of time.

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 \$31,896,783 reappropriated funds for FY 2009-10. **Staff recommends the Committee not take action on this line pending common policy figure setting for workers' compensation premiums.**

#### **INDIRECT COST ASSESSMENT**

Pursuant to the Committee approval of the statewide indirect cost recovery plan, **staff recommends approval of the Department's request for an appropriation of \$210,797 reappropriated funds (transfers from state agencies).** This amount will be used to offset the need for a General Fund appropriation in the Executive Director's Office.

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### ~~(3) PERSONNEL BOARD~~

The following requests for JBC consideration for FY 2009-10 appear in this unit:

- **Decision Item #13 - FY 2009-10 Long Bill Realignment.** The Department requests re-organizing of the following appropriation line items and divisions /units:
  - (1) moving the (a) State Information and Archival Services Program (Archives), (b) Real Estate Services Program, (c) the Colorado State Employees Assistance Program, and (d) various EDO lines, into a new sub-group within the EDO titled "Statewide Special Purpose";
  - (2) splitting the appropriation that contains both the State Controller's Office (SCO) and State Procurement Office (SPO) into distinct long bill groups; and
  - (3) *separate out the Independent Ethics Commission (IEC) from the Office of Administrative Courts (OAC) and place it into a new "Constitutionally Independent Entities" long bill group along with the Personnel Board.*
- **Budget Amendment #9 - Personnel Board Operating Expenses Reduction.** The Personnel Board is proposing the reduction of \$5,000 in its operating expenses line item.
- **Budget Amendment - Independent Ethics Commission True-up.** In September, 2008, the IEC submitted a FY 2008-09 supplemental request for additional funding for personal services, operating expenses, and legal services due to additional work load for the Commission than initially anticipated in the fiscal note for S.B. 07-210. The Committee approved the funding request. This budget amendment is to request a true up for FY 2009-10 based on the FY 2008-09 supplemental.

**Staff discussed the merits of decision item #13 in the Executive Director's Office section of this packet. Staff made a recommendation for re-alignment, including the creation of a Long Bill group titled "Constitutionally Independent Entities" to include the Personnel Board and the Independent Ethics Commission.**

### (3) CONSTITUTIONALLY INDEPENDENT ENTITIES

#### (A) PERSONNEL BOARD

The Personnel Board provides staff support for the five-member State Personnel Board 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 adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit. The board conducts

administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution. Because employees trigger the adjudicatory process, the board cannot directly control the number of cases filed. The Board also provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management.

<b>(3) Constitutionally Independent Entities, (A) Personnel Board — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
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>
<b>Total</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

**PERSONAL SERVICES**

The department requests an appropriation of \$485,891 and 4.8 FTE. The request includes \$1,196 cash funds (receipts received for copies of information and case documentation), and \$484,695 reappropriated funds (indirect cost recoveries and receipts received for copies of information and case documentation).

Due to a change in indirect costs to the Department of Personnel for FY 2009-10, staff recommends the funding of the Personnel Board with General Fund.

**Staff recommends the Committee approve an appropriation of \$485,891 and 4.8 FTE.** The recommendation contains \$484,695 General Fund and \$1,196 cash funds (receipts collected for copies of information and case documentation).

<b>Summary of Personal Services Recommendation</b>					
<b>(3) Constitutionally Independent Entities, (A) State Personnel Board, Personal Services</b>					
	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>RF</b>	<b>FTE</b>
FY 2008-09 Appropriation	456,945	0	1,196	455,749	4.8
FY 2008-09 Salary Survey	22,552	22,552	0	0	0.0
FY 2008-09 Performance Awards at 80 %	6,394	6,394	0	0	0.0
Refinance for Available Indirect Costs	<u>0</u>	<u>455,749</u>	<u>0</u>	<u>(455,749)</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>485,891</b>	<b>484,695</b>	<b>1,196</b>	<b>0</b>	<b>4.8</b>

**OPERATING EXPENSES**

**Budget Amendment #9 - Personnel Board Operating Expenses Reduction.** The Personnel Board is proposing the reduction of \$5,000 in its operating expenses line item. The sources

of savings are reduced training services, reduced printing costs, and lexis-nexis subscriptions.

The Department has requested an appropriation of \$24,297 (\$264 General Fund and \$24,033 reappropriated funds). The request includes a reduction of \$5,000 for budget amendment #9, annualization (increase) of \$6,000 for a budget balancing FY 2009 supplemental reduction, and an increase of \$264 related to Department of Personnel mail and postage increase decision items. **Staff recommends the Committee approve an appropriation of \$24,297 General Fund.** Staff has used all additional statewide indirect costs, lacking indirect costs, the Personnel Board is General Funded.

#### LEGAL SERVICES

**As part of the reorganization of the Long Bill line items, staff recommends that the legal services line for the Personnel Board be separated from the Department of Personnel, Legal Services line item. Staff has calculated that the Personnel Board has historically been allocated 300 hours. Staff recommends the Committee fund 300 hours of legal services in the Personnel Board. The rate for legal services is pending figure setting for the Department of Law.**

#### **(B) INDEPENDENT ETHICS COMMISSION**

- ❑ ***Decision Item #13 - FY 2009-10 Long Bill Realignment.*** Staff recommended this portion of Decision Item #13 to move the Independent Ethics Commission out of the office of Administrative Courts , into the newly created Long Bill group called "Constitutionally Independent Entities".
- ❑ ***Budget Amendment - Independent Ethics Commission True-up.*** In September, 2008, the IEC submitted a FY 2008-09 supplemental request for additional funding for personal services, operating expenses, and legal services due to additional work load for the Commission than initially anticipated in the fiscal note for S.B. 07-210. The Committee approved the funding request. This budget amendment is to request a true up for FY 2009-10 based on the FY 2008-09 supplemental.

The Independent Ethics Commission 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 hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution and any other standards of conduct and reporting requirements as provided by law. The Governor of Colorado, and Colorado's Supreme Court, Senate and House of Representatives have each appointed one member of the Commission. The four members of the Commission selected an individual to participate as the fifth member of the commission through an application process. Members serve without compensation and are reimbursed for actual and necessary expenses incurred in carrying out their duties.

Senate Bill 07-210 implemented the Colorado Constitutional Amendment. As part of the implementation, the General Assembly appropriated personal services funding for staff, operating

expenses, and legal expenses to support the operation of the Independent Ethics Commission.

<b>(3) Constitutionally Independent Entities, (B) Independent Ethics Commission — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Director / General Professional	1.8	1.8	2.0	2.0
<b>Total</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>

**PERSONAL SERVICES**

The Personal Services line in the IEC currently supports 1.8 FTE (General Profession VI and 0.8 FTE General Professional IV) and \$90,320 General Fund. During the discussion surrounding the FY 2008-09 September 2008 supplemental submitted by the IEC, staff informed the Committee that the IEC intends to submit a budget amendment to request a true up for the increased funding and to request that the 0.8 FTE be funded at a 1.0 FTE level.

The Department calculation for the request is calculated below.

General Professional VI - \$80,901 (includes PERA and Medicare)  
 General Professional IV - \$63,384 (includes PERA and Medicare)  
 Total Funding Need: \$144,285

**Staff recommendation for the funding level of the Personal Services line is shown in the table below.**

<b>Summary of Personal Services Recommendation (3) Constitutionally Independent Entities, (B) Independent Ethics Commission, Personal Services</b>		
	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	90,320	1.8
Annualize FY 2009 Hiring Freeze Savings	6,845	0.0
FY 2010 Annualization and FTE Increase (True-up for FY 09 Supplemental and FY 2010 Budget Amendent)	<u>47,120</u>	<u>0.2</u>
<b>Total Recommendation</b>	<b>144,285</b>	<b>2.0</b>

**OPERATING EXPENSES**

The IEC requests funding of \$16,639 General Fund for FY 2009-10 made up of travel expenses totaling \$13,800, office supplies/printing \$939, and 2 telephone lines totaling \$900.

**Staff recommendation for the funding level of the Personal Services line is shown in the table**

below.

<b>Summary of Personal Services Recommendation (3) Constitutionally Independent Entities, (B) Independent Ethics Commission, Operating Expenses</b>	
	<b>Total</b>
FY 2008-09 Appropriation	21,723
FY 2009-10 Annualization	<u>(5,084)</u>
<b>Total Recommendation</b>	<b>16,639</b>

**LEGAL SERVICES**

As part of the reorganization of the Long Bill line items, staff recommends that the legal services line for the Independent Ethics Commission be separated from the Department of Personnel, Legal Services line item. The rate for legal services is pending figure setting for the Department of Law. The IEC is requesting funding for 900 legal services hours for FY 2009-10. The funding for FY 2008-09 was increased to 1,434 hours due to an increased start-up workload for the Independent Ethics Commission. **Staff recommends the Committee fund 900 legal services hours for the Independent Ethics Commission for FY 2009-10.**

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#### (4) CENTRAL SERVICES

This division is responsible for reducing costs to other State agencies for commonly-used support services, such as mail services, collections, travel, printing, copying, and imaging documents. It is responsible for the oversight of property management for the Capitol Complex, the Grand Junction State Services Building, and Camp George West. It also administers the statewide Fleet Management Program that provides vehicles to and monitors the related automotive maintenance costs of other State agencies.

#### Central Services has submitted the following requests for JBC consideration for FY 2009-10:

- **Decision Item #3 - Integrated Document Factory Contingency Fund.** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.
- **Decision Item #5 - Postage Increase.** Mail Services, within the Integrated Document Factory group is seeking an increase to its operating expenses spending authority in the amount of \$252,571 to account for increases in postage from the USPS. The Department also requests that state agencies be allowed to increase their operating expenses funding totaling \$252,571 statewide.
- **Decision Item #8 - Mail Services Equipment Upgrade.** Mail Services is requesting funding totaling \$1,428,000 reappropriated funds (fees from state agencies) to purchase new equipment based on mandatory changes demanded by the USPS. The request is to purchase a new inkjet and software, high speed intelligent inserter, and software to connect print source to inserters. The Department also requests the authority to charge state agencies for the purchase of the equipment.
- **Decision Item #10 - Reprographics Core Business Base Adjustment.** Reprographics services is requesting \$93,705 reappropriated funds increase in spending authority to account for an increase in paper costs from vendors.
- **Decision Item #11 - Fleet Greening Manager.** State Fleet is requesting 1.0 FTE and \$58,340 reappropriated funds to fund a Fleet Greening Manager position.
- **Decision Item #12 - Camp George West Ongoing Noxious Weeds.** Facilities Maintenance is requesting \$44,187 reappropriated funds to eradicate noxious weeds at Camp George West. This is an ongoing request, tenant rates will be increased to cover the cost.
- **Budget Amendment #1 - DSG Additional Projects.** The DSG is requesting \$170,148 (\$43,336 cash funds and \$126,812 reappropriated funds) for additional projects.
- **S-2/Budget Amendment #2 - Reprographics Outsourcing.** This request is to annualize a previously approved supplemental to account for \$713,387 reappropriated funds in order to increase base spending to continue outsourcing work. The Department did not account for outsourced work properly in prior year.
- **Budget Amendment #4 - Integrated Document Factory Personal Services True-up.** The IDF is requesting to move 8.2 FTE from Reprographics Services and the DSG into Mail



Services. The IDF is also requesting to increase funding for the Mail unit by \$755,521.

**(A) ADMINISTRATION**

This section provides divisional support to the centralized services provided to all State agencies, including marketing, human resources, accounting, and management. It also includes the State Travel Management program, which coordinates and oversees state employee travel.

<b>(4) Central Services (A) Administration — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Director / Management	3.0	2.0	2.0	2.0
Accounting / Budgeting	2.0	2.0	2.0	2.0
General Professional	3.4	4.0	4.0	4.0
IT Professional	0.1	0.0	0.0	0.0
Support / Clerical	<u>1.6</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
<b>Total</b>	<b>10.1</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

**PERSONAL SERVICES**

Personal services for Central Services Administration is used for staff salaries, state contributions to PERA and Medicare taxes. This section of the division is responsible for overall management of Central Services and includes accounting functions and general policy management for the division. The department requests an appropriation of \$751,883 and 10.0 FTE for FY 2009-10.

**Staff recommends the Committee approve an appropriation of \$751,883 reappropriated funds and 10.0 FTE.** This recommendation is calculated pursuant to Committee common policy.

<b>Summary of Personal Services Recommendation</b>				
<b>(4) Central Services, (A) Administration — Department of Personnel and Administration</b>				
	Total	CF	RF	FTE
FY 2008-09 Appropriation	719,816	0	719,816	10.0
FY 2008-09 Salary Survey	24,839	0	24,839	0.0
FY 2008-09 Performance Awards at 80 %	<u>7,228</u>	<u>0</u>	<u>7,228</u>	<u>0.0</u>
<b>Total Personal Services Recommendation</b>	<b>\$ 751,883</b>	<b>\$ 0</b>	<b>\$ 751,883</b>	<b>10.0</b>

**OPERATING EXPENSES**

The department is requesting a continuation level of funding of \$77,427 for this line item. It represents a continuation of the FY 2008-09 appropriation. **Staff recommends the Committee approve an appropriation of \$77,427 for FY 2009-10.**

## INDIRECT COST ASSESSMENT

The department requests an appropriation of \$100,300 reappropriated funds for this division's indirect cost assessment. **Staff recommends the Committee approve an appropriation of \$100,300 for the Central Services, Administration indirect cost assessment line item, which is consistent with the Statewide Indirect Cost Allocation Plan.**

### **(B) INTEGRATED DOCUMENT FACTORY**

The Integrated Document Factory contains three programs operated in Central Services: (1) Reprographics Services; (2) Document Solutions Group; and (3) Mail Services. The three programs are grouped into the Integrated Document Factory due to similarities in the programs.

- ☐ ***Decision Item #3 - Integrated Document Factory Contingency Fund.*** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

**Department justification for request.** The *Integrated Document Factory*, consisting of *Reprographics Services* (provides commercial and graphic art services, offset printing, high-volume digital copying, rental of office copiers for low-volume operations), *Document Solutions Group* (provides micrographic and document imaging services and data entry such as: document conversion, data manipulation, document preservation and image storage), and *Mail Services* have been requesting numerous emergency supplementals over the years in order to be able to have sufficient spending authority to be able to provide services to state agencies that already have received an appropriation for a given task.

The Department states that over the years it has had to complete burdensome budget request procedures in order to adjust spending authority for every little or large project that may come to the Department. Many times, the time of the year does not allow for the submission of supplemental budget requests in time to be able to adjust spending authority and undertake a given project, the legislative interim is a good example, if the Joint Budget Committee is not meeting, the Department cannot request an adjustment.

**The Department requests budgeting for a ten percent "contingency funding" to its appropriations for the three programs.**

**Staff agrees with this Department assessment and recommends the Committee provide a 20 percent contingency funding, this will allow a larger margin for the Department to provide services to even more agencies without having to come in for a supplemental request.**

- ☐ ***Budget Amendment #4 - Integrated Document Factory Personal Services True-up.*** The

IDF is requesting to move 8.2 FTE from Reprographics Services and the DSG into Mail Services. The IDF is also requesting to increase funding for the Mail unit by \$755,521.

**Department justification for request.** The Department requests increasing the spending authority for the Mail Services Program by 8.2 FTE and 755,521 reappropriated funds, reducing the spending authority for Reprographics Services by 2.7 FTE and 166,693 reappropriated funds, and reducing the spending authority for the DSG by 5.5 FTE and 269,231 reappropriated funds. This request will result in a net increase to the overall spending authority by \$319, 597 in Mail Services.

This is a request that related to the mismanagement of the line items by cross billing different programs for services not associated with the program. As a result of this cross allocation of staff and funding, the programs have run into Federal Fund balance issues. At the advice of the State Controller, the Department is requesting this re-allocation to more accurately reflect where positions and funds are spent.

**Staff does not support this kind of cross- subsidization, cross allocation, and co-mingling of line items that were appropriated for a specific purpose. Since the Federal auditors and the State Controller recommend the re-allocation of the lines, staff feels it is prudent to recommend this Department request. Staff recommends the Committee approve this request.**

## **(B) Integrated Document Factory**

### **(1) Reprographics Services**

This 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. Reprographics Services performs its duties pursuant to Section 24-30-1104, C.R.S.

- ❑ ***Decision Item #3 - Integrated Document Factory Contingency Fund.*** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

Staff already recommended funding DI-3 above.

<b>(4) Central Services (B) Integrated Document Factory (1) Reprographics Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Production	11.8	13.7	13.7	11.0
Arts Professional	3.3	4.0	4.0	4.0
IT Technician	1.2	0.0	0.0	0.0
General Professional / Manager	1.6	1.6	1.6	1.6
Support / Clerical	3.9	4.0	4.0	4.0
<b>Total</b>	<b>21.8</b>	<b>23.3</b>	<b>23.3</b>	<b>20.6</b>

**PERSONAL SERVICES**

Reappropriated funds in this unit represent transfers from other state agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.).

**Staff recommends the Committee approve an appropriation of \$1,305,815 and 20.6 FTE.** The staff recommendation is calculated pursuant to Committee common policy.

<b>Summary of Personal Services Recommendation (4) Central Services, (B) Integrated Document Factory, (1) Reprographics Services — Department of Personnel and Administration</b>					
	Total	Cash Funds	RF	FTE	
FY 2008-09 Appropriation	1,206,961	0	1,206,961	23.3	
FY 2008-09 Salary Survey	14,179	0	14,179	0.0	
FY 2008-09 Performance Awards at 80 %	5,950	0	5,950	0.0	
DI-3 IDF Contingency Funding	245,418	0	245,418	0.0	
BA-4 IDF Personal Services True-up	(166,693)	0	(166,693)	(2.7)	
<b>Total Personal Services Recommendation</b>	<b>\$ 1,305,815</b>	<b>\$ 0</b>	<b>\$ 1,305,815</b>	<b>20.6</b>	

**OPERATING EXPENSES**

**Staff recommends the Committee fund \$3,692,794 for this line item.**

- ❑ **Decision Item #3 - Integrated Document Factory Contingency Fund.** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

Staff already recommended funding DI-3 above.

- ☐ **Decision Item #10 - Reprographics Core Business Base Adjustment.** Reprographics services is requesting \$93,705 reappropriated funds increase in spending authority to account for an increase in paper costs from vendors.

**Department Justification for Request.** The Department states that paper costs have increased by \$93,705, if funding is not provided, Reprographics will reach its spending authority sooner and may need to stop printing projects for some agencies because of lack of spending authority.

**Staff recommends the Committee fund the Department request for DI-10.**

- ☐ **S-2/Budget Amendment #2 - Reprographics Outsourcing.** This request is to annualize a previously approved supplemental to account for \$713,387 reappropriated funds in order to increase base spending to continue outsourcing work. The Department did not account for outsourced work properly in prior year.

This request was already approved as a supplemental for FY 2008-09 of \$1,355,282. The Department is requesting the annualization for FY 2009-10, which is \$713,387.

<b>Summary of Operating Expenses Recommendation</b>			
<b>(4) Central Services, (B) Integrated Document Factory, (1) Reprographics Services — Department of Personnel and Administration</b>			
	Total	Cash Funds	RF
FY 2008-09 Appropriation	3,760,034	0	3,760,034
DI-3 IDF Contingency Funding	480,950	0	480,950
DI-10 Paper Costs	93,705	0	93,705
BA-2 Reprographics Outsourcing (annualization)	(641,895)	0	(641,895)
<b>Total Operating Recommendation</b>	<b>\$ 3,692,794</b>	<b>\$ 0</b>	<b>\$ 3,692,794</b>

**INDIRECT COST ASSESSMENT**

**Staff recommends the Committee approve the Department request for \$147,901 indirect costs consistent with common policies.**

**(B) Integrated Document Factory  
(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. The department maintains that its scanning costs are up to 60.0

percent lower than those provided by private entities.

(4) Central Services (B) Integrated Document Factory (2) Document Solutions Group — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
Production	5.1	9.0	9.0	9.0
Information Tech.	5.4	1.2	1.2	1.2
General Professional/ Management	1.6	2.0	2.0	2.0
Data Entry	38.3	41.0	35.5	35.5
Support /Clerical	3.5	2.5	2.5	2.5
<b>Total</b>	<b>53.9</b>	<b>55.7</b>	<b>50.2</b>	<b>50.2</b>

**PERSONAL SERVICES**

The department is requesting \$3,275,253 reappropriated funds and 51.2 FTE for Document Solutions Group's personal services line item. The source of reappropriated funds is transfer payments from other state agencies deposited in the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.)

- ☐ **Decision Item #3 - Integrated Document Factory Contingency Fund.** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

Staff already made a recommendation on DI-3 above.

- ☐ **Budget Amendment #1 - DSG Additional Projects.** The DSG is requesting \$170,148 (\$43,336 cash funds and \$126,812 reappropriated funds) for additional projects.

**Department Justification for Request.** This request is for spending authority for the DSG to be able to undertake several scanning projects including: CBI Sex Offender Files, Jefferson County CBMS, Pueblo County CBMS, CDHS-Discharge and Medical Files, CDHS-Adoption Files.

**Staff recommends the Department request.**

- ☐ **Budget Amendment #4 - Integrated Document Factory Personal Services True-up.** The

IDF is requesting to move 8.2 FTE from Reprographics Services and the DSG into Mail Services. The IDF is also requesting to increase funding for the Mail unit by \$755,521.

Staff already made a recommendation on BA-4 above.

**Staff recommendation is shown in the table below.**

<b>Summary of Personal Services Recommendation</b> <b>(4) Central Services, (B) Integrated Document Factory, (2) DSG , Personal Services— Department of Personnel and Administration</b>				
	Total	Cash Funds	RF	FTE
FY 2008-09 Appropriation	3,085,955	43,336	3,042,619	55.7
FY 2008-09 Salary Survey	60,971	0	60,971	0.0
FY 2008-09 Performance Awards at 80 %	20,390	0	20,390	0.0
Annualize Dec. 2008 Supplemental for additional projects	(330,198)	(43,336)	(286,862)	0.0
DI-3 IDF Contingency Funding	567,424	0	567,424	0.0
BA-1 DSG Projects	126,812	43,336	83,476	0.0
BA-4 IDF Personal Services True up	(269,231)	0	(269,231)	(5.5)
<b>Total Personal Services Recommendation</b>	<b>\$ 3,262,123</b>	<b>\$ 43,336</b>	<b>\$ 3,218,787</b>	<b>50.2</b>

**OPERATING EXPENSES**

The department requests an appropriation of \$750,888 reappropriated funds transfer payments from other state agencies deposited in the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.)

**Staff recommends the Committee approve an appropriation of \$648,243 reappropriated funds based on the table of staff previously recommended projects.**

<b>Summary of Operating Expenses Recommendation</b> <b>(4) Central Services, (B) Integrated Document Factory, (2) DSG — Department of Personnel and Administration</b>			
	Total	Cash Funds	RF
FY 2008-09 Appropriation	530,977	0	530,977
Annualize Dec. 2008 Supplemental for additional projects	(7,574)	0	(7,574)
DI-3 IDF Contingency Funding	81,504	0	81,504
BA-1 DSG Projects	43,336	0	43,336
<b>Total Operating Recommendation</b>	<b>\$ 648,243</b>	<b>\$ 0</b>	<b>\$ 648,243</b>

**Utilities**

This line item supports the utility costs associated with the operations of the Document Solutions

Group in Pueblo. For FY 2007-08 a Department Decision Item #2 IDF Realignment expanded the Document Solutions Group operations in Pueblo. The Department has subsequently expanded its leased space in Pueblo from 15,000 square feet to 30,000 square feet. The Department is requesting a continuation appropriation of \$69,000.

**Staff recommends the Committee approve the Department's request and appropriate \$69,000 reappropriated funds ( user fees deposited in the Department of Personnel Revolving Fund).**

**INDIRECT COST ASSESSMENT**

The Department is requesting an appropriation of \$173,089 reappropriated funds that represent transfers from other state agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends the Committee approve the department's request of \$173,089, which is consistent with Committee common policy concerning the statewide indirect cost recovery plan.**

**(B) Integrated Document Factory**

**(3) Mail Services**

This section provides full mail services to other State agencies in the Capitol Complex, including mail processing and shipping services.

<b>(4) Central Services (B) Integrated Document Factory (3) Mail Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Equipment Operator	13.9	13.0	17.0	17.0
Arts Technician	0.3	0.2	0.2	0.2
IT Technician	1.5	0.0	0.0	0.0
General Professional	2.1	2.0	2.0	2.0
Materials Handler	0.7	1.0	1.0	1.0
Production	8.1	7.0	11.2	11.2
Support /Clerical	12.9	11.4	11.4	11.4
<b>Total</b>	<b>39.5</b>	<b>34.6</b>	<b>42.8</b>	<b>42.8</b>

**PERSONAL SERVICES**

The department requests \$1,473,001 reappropriated funds and 42.8 FTE. The reappropriated funds are transfers from other state agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.).



- ❑ **Decision Item #3 - Integrated Document Factory Contingency Fund.** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

Staff already made a recommendation on DI-3 above.

- ❑ **Budget Amendment #4 - Integrated Document Factory Personal Services True-up.** The IDF is requesting to move 8.2 FTE from Reprographics Services and the DSG into Mail Services. The IDF is also requesting to increase funding for the Mail unit by \$755,521.

Staff already made a recommendation on BA-4 above.

**Staff recommends the Committee approve \$2,362,431 reappropriated funds and 42.8 FTE as calculated in the table below.**

<b>Summary of Personal Services Recommendation</b>				
<b>(4) Central Services, (B) Integrated Document Factory, (3) Mail Services — Department of Personnel and Administration</b>				
	Total	CF	RF	FTE
FY 2008-09 Appropriation	1,253,725	0	1,253,725	34.6
FY 2008-09 Salary Survey	63,023	0	63,023	0.0
FY 2008-09 Performance Awards at 80 %	22,344	0	22,344	0.0
DI-3 IDF Contingency Funding	267,818	0	267,818	0.0
BA-4 IDF Personal Services True up	755,521	0	755,521	8.2
<b>Total Personal Services Recommendation</b>	<b>\$ 2,362,431</b>	<b>\$ 0</b>	<b>\$ 2,362,431</b>	<b>42.8</b>

**OPERATING EXPENSES**

The Department has requested \$7,944,200 for operating expenses. This amount is made up of:

- ❑ **Decision Item #3 - Integrated Document Factory Contingency Fund.** The Integrated Document Factory (IDF) is requesting the building of contingency funding of 10 percent in addition to the calculated funding need for Reprographics, Document Solutions Group, and Mail Services. The Department requests this funding so that the Department will not have to come to the JBC several times during the year for emergency supplementals in order to be able to accept work from other state agencies.

Staff already made a recommendation on DI-3 above.

- ❑ **Decision Item #5 - Postage Increase.** Mail Services, within the Integrated Document Factory group is seeking an increase to its operating expenses spending authority in the amount of \$252,571 to account for increases in postage from the USPS. The Department

also requests that state agencies be allowed to increase their operating expenses funding totaling \$252,571 statewide.

**Department Justification for Request.** The Department states that the United States Postal Services raised their mailing rates on May 12, 2008. The rate increase range from \$0.010 for 1st class letters (from \$0.41 to \$0.42) to a rate increase of \$0.05 for Certified Mail (from \$5.18 to \$5.23). Based on volume projections for FY 2010, the Department requests funding to account for this rate increase in the amount of \$252,571. The Department also requests that agencies be funded for the increase in mail costs. Each agency has included a non-prioritized request for mail increase which splits the \$252,571 by agency based on historical mail volume usage. The three agencies experiencing the largest impacts are: DHR with \$102,063 impact, Labor and Employment with \$53,537 impact, and Natural Resources with \$22,287.

**Staff recommends the Committee approve this request for funding in DPA to account for the mail rate increases and in department's operating budgets.**

☐ **Decision Item #8 - Mail Services Equipment Upgrade.** Mail Services is requesting funding totaling \$1,428,000 reappropriated funds (fees from state agencies) to purchase new equipment based on mandatory changes demanded by the USPS. The request is to purchase a new inkjet and software, high speed intelligent inserter, and software to connect print source to inserters. The Department also requests the authority to charge state agencies for the purchase of the equipment.

**Department Justification for Request.** This request is made as a result of several changes in the use of technology by the USPS. In order to remain competitive, Mail Services will need to integrate the USPS changes into its program and operations. Hardware and software include an advanced address cleansing software, intelligent bar coding hardware and software, a high speed intelligent inserter, and a letter and flat sorter.

In summary, the Department states that there is a (1) technological need for the request, the changes must be made to facilitate integration with the USPS strategic transformation plan and resulting technological changes. The USPS is launching an Intelligent Mail services system in May 2009. The Department as a mail preparer for the USPS, must up-grade its equipment to continue to be a mail preparer and receive USPS discounts; (2) based on current discounts and the potential for additional discounts, the Department believes that the investment will be paid off in under three years; (3) failure to purchase this updated mail equipment will result in the State losing approximately \$3.6 million of current and future discounts.

The Division will need new hardware and software to convert to the Intelligent Mail barcode system and to meet the Seamless Acceptance requirements. The Intelligent Mail barcode on the mail piece will eliminate separate codes currently needed for added services. The new Intelligent Mail barcode will allow end-to-end visibility into the mail and maximize address quality. Based on this new technology, each piece in the process will have a barcode (mail, trays, even the truck). All

paperwork will pass electronically between IDF and USPS. Errors will be found at the time of processing and not at time of delivery, as is currently the case.

The equipment needed to convert to the Intelligent Mail barcode and Seamless Acceptance is as follows:

*Inkjet and Software (\$103,000)*

The inkjet is the center of the operation, it takes customers' data address file, changes the data to meet Postal Regulations for sorting, and then sprays the recipients name on mail.

*High Speed Intelligent Inserter (\$560,000)*

Connect to the print source so that the inserter can read back to the print files.

*Software to connect print source to inserters (\$100,000)*

Connect to print source and inserter to read back to the print files.

*High Speed Intelligent Letter and Flat Sorter (\$665,000)*

The machine prints the Intelligent Mail barcode on each mail piece and matches mail pieces back to the data from the inserter before presenting the mailings to USPS.

Total Cost = \$1,428,000

Mail Type	Current Pieces Eligible for Discount*	Current Discount (per piece)	Additional Pieces Eligible with Upgraded Sorter**	Discount Lost if Not Upgraded	Additional Discount with Upgrade	Total Cost Avoidance with Upgrade
Flats	732,349	\$0.35	1,680,349	256,322	588,122	844,444
Letters	39,434,185	\$0.07	0	2,760,393		2,760,393
<b>Total</b>	<b>40,166,534</b>		<b>1,680,349</b>	<b>3,016,715</b>		<b>3,604,837</b>

\* These pieces are eligible for a discount with the current inkjet, and the discounts will be lost if the inkjet is not upgraded.

\*\* These pieces do not currently receive a discount because they come in without an electronic address file, and cannot be run through the current inkjet.

Current discount lost without upgrade	\$3,016,715
Additional discount available with upgrade	<u>\$588,122</u>
Total discounts available with upgrade	<b>\$3,604,837</b>
Less: Equipment Cost	<u>(\$1,428,000)</u>
<b>Total Cost Avoidance</b>	<b>\$2,176,837</b>

**Staff recommends the Committee approve the Department's request related to Decision Item**

# 8.

**Staff recommendation for the Mail Services, Operating Expenses line item is shown in the table below.**

<b>Summary of Operating Expenses Recommendation</b>			
<b>(4) Central Services, (B) Integrated Document Factory, (3) Mail Services — Department of Personnel and Administration</b>			
	Total	Cash Funds	RF
FY 2008-09 Appropriation	7,944,200	0	7,944,200
DI-3 IDF Contingency Funding	1,588,840	0	1,588,840
DI-5 Postage Increase	252,571	0	252,571
DI-8 Mail Equipment Upgrade	<u>1,428,000</u>	<u>0</u>	<u>1,428,000</u>
<b>Total Operating Recommendation</b>	<b>\$ 11,213,611</b>	<b>\$ 0</b>	<b>\$ 11,213,611</b>

**INDIRECT COST ASSESSMENT**

The Department is requesting an appropriation of \$165,998 reappropriated funds. **Staff recommends the Committee approve the department's request, which is consistent with Committee common policy concerning the statewide indirect cost recovery plan.**

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

This section provides light duty vehicles to all state agencies - except for the Department of Agriculture's Brand Board - on a long-term basis, establishes a statewide network of service providers (including maintenance, repairs, and fuel) and manages a self-insured accident fund for comprehensive/collision damages. It competitively acquires private-sector funding for vehicle acquisition. It also manages a centralized information system for state fleet assets. The central coordination of statewide vehicles began on January 1, 1993.

**As of October 2008, the state's fleet had 5,565 vehicles.** There are two areas that fund the costs associated with operating the State Fleet Program.

- **Fixed Costs (Vehicle Lease Payments line items).** This pays for the vehicle lease costs and the administration overhead costs for this statewide program. Funds are appropriated in each department budget by fund type (*i.e.* General Fund or cash funds) and transferred to the Department of Personnel for payment. The Department of Personnel and Administration selects private companies to finance and procure state vehicles for different lease terms depending on the particular vehicle and its anticipated usage. In general, vehicles are only purchased in March. This results in an annualized cost during the next and subsequent fiscal years that is usually twice the amount appropriated in the first year.
- **Variable Costs (Operating Expenses, Program, or Special Purpose line items).** This pays for

the operating expenses of each vehicle, including insurance (physical damage), maintenance costs, and fuel. This rate is applied per mile driven by body type and department. It is typically charged to the operating expense budget of the program using the vehicle.

<b>(4) Central Services (C) Fleet Management Program and Motor Pool Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
General Professional	2.0	2.0	3.0	2.0
Information Technology	2.0	0.0	0.0	0.0
Customer Support	2.0	3.0	3.0	3.0
Equipment Mech.	2.0	2.0	2.0	2.0
Accounting / Support / Clerical	7.7	7.0	7.0	7.0
<b>Total</b>	<b>15.7</b>	<b>14.0</b>	<b>15.0</b>	<b>14.0</b>

**PERSONAL SERVICES**

The department is requesting \$918,192 reappropriated funds and 15.0 FTE. The reappropriated funds represent transfers from other state agencies that are deposited into the Motor Fleet Management Fund (Section 24-30-1115, C.R.S.).

- ☐ **Decision Item # 11 - Fleet Greening Manager.** The Department requests \$58,340 and 1.0 FTE for FY 2009-10 to perform the duties of a "Green Fleet Coordinator." The Department is claiming that Executive Orders D 0011 07 and D 0012 07 on Greening Government will require the Department to administer and monitor green policies related to the State Fleet. The Department states that it currently does not have anyone dedicated to perform duties related to greening the state fleet.

**Department Justification for Request.** The Department submitted this request for FY 2008-09 as well. The Committee did not approve the request. The Department is stating that it needs a dedicated FTE to perform a vehicle utilization audit and review each vehicle type requested to ensure that vehicle selection is properly tied to the job. The FTE will also ensure that Green Government policies and initiatives for the State fleet are properly administered and monitored.

**Staff analysis:**

**Staff does not recommend funding for this position.** Staff feels that the current Fleet staff are supposed to be engaging in greening practices during the course of managing the fleet. In addition, the Governor's Energy Office can provide expertise to the State Fleet where such is lacking.

**Staff further recommends the committee approve staff calculation of the personal services line**

as portrayed in the table below. Staff recommends the Committee approve an appropriation of \$866,030 and 14.0 FTE.

<b>Summary of Personal Services Recommendation</b>			
<b>(4) Central Services, (C) Fleet Management Program and Motor Pool Services — Department of Personnel</b>			
	Total	RF	FTE
FY 2008-09 Appropriation	829,515	829,515	14.0
FY 2008-09 Salary Survey	27,904	27,904	0.0
FY 2008-09 Performance Awards at 80 %	8,611	8,611	0.0
<b>Total Personal Services Recommendation</b>	<b>\$ 866,030</b>	<b>\$ 866,030</b>	<b>14.0</b>

**OPERATING EXPENSES**

The table below shows the Department updated calculation and estimate of spending authority need to account for fuel volatility. For FY 2009-10, the Department is suggesting the inclusion of contingency funding to cover a \$1.00 fluctuation in the per gallon cost of fuel.

**Staff recommends the Committee fund the Department request.**

<b>FY 2009-10 Fleet Operating Expenses Department Calculation</b>	
Forecasted National Fuel Price Per Gallon For FY 2010 (DOE/EIA February Forecast)	\$2.02
Less \$0.16 per gallon difference between state and national cost (adjusts for taxes, diesel, and regional differences)	<u>(\$0.16)</u>
<b>State Fleet Projected Average Cost</b>	<b>\$1.86</b>
Estimated Annual Miles	78,000,000
Estimated Miles per Gallon	<u>16.0</u>
Estimated Annual Gallons	4,875,000
<b>Estimated State Annual Fuel Cost</b>	<b>\$9,067,500</b>
Estimated FY 2010 Maintenance Cost per Mile	\$0.112
<b>Estimated Maintenance Cost</b>	<b>\$8,736,000</b>
Business Operating Expenses	\$227,000
Auction Fees	\$130,000
Net Accidents (@ \$0.14/mile)	<u>\$1,092,000</u>
<b>Base Spending Authority Need</b>	<b>\$19,252,500</b>

<b>FY 2009-10 Fleet Operating Expenses Department Calculation</b>	
Requested Contingency to Cover potential increase in \$1.00 per gallon fuel increase	<u>\$4,875,000</u>
<b>Total Appropriation Request</b>	<b>\$24,127,500</b>

**VEHICLE REPLACEMENT LEASE, PURCHASE, OR LEASE/PURCHASE**

The Department of Personnel and Administration is responsible for the lease payments of all vehicles in the state's fleet. Leases vary anywhere between 60 months and 120 months, although the Colorado State Patrol uses 36 month leases for those vehicles. Once the term of the lease is over, vehicles no longer receive appropriations for the lease, however, the department does charge a management fee on all vehicles.

**The staff recommendation on this line item is pending Committee decisions on statewide vehicle replacements and decision items which require the purchase of new vehicles.** This typically occurs at the end of figure setting.

**INDIRECT COST ASSESSMENT**

The Department is requesting an appropriation of \$302,858 reappropriated funds. **Staff recommends the Committee approve the department's request, which is consistent with Committee 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: Capitol Complex, Grand Junction State Services Building, and Camp George West.

**(D) Facilities Maintenance**

**(1) Capitol Complex Facilities**

This division performs asset and property management functions for the state. It maintains the grounds and buildings in the Capitol Complex encompassing approximately 1.2 million square feet of office space serving over 6,500 State employees. This section is responsible for providing housekeeping, grounds, and property management for the Capitol Complex, the State Capitol Building, 1881 Pierce Street, and the North Campus (North Washington St.) as well as various parking facilities.

(4) Central Services (D) Facilities Maintenance (1) Capitol Complex Facilities — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
General Professional / Manager	5.1	4.7	4.7	4.7
Accounting	1.1	1.0	1.0	1.0
Architect	1.6	2.0	2.0	2.0
Custodian	11.6	12.0	12.0	12.0
Electrician	3.8	4.0	4.0	4.0
Structural / Pipe Trades / Material	19.5	18.5	18.5	18.5
Grounds and Nursery	2.4	3.0	3.0	3.0
Support / Clerical	6.9	8.0	8.0	8.0
<b>Total</b>	<b>52.0</b>	<b>53.2</b>	<b>53.2</b>	<b>53.2</b>

**PERSONAL SERVICES**

The Department requests funding of \$2,745,896 and 53.2 FTE for FY 2009-10.

**Staff recommends the Committee approve the request for an appropriation of \$2,745,896 reappropriated funds and 53.2 FTE.** The funds originate as user fees transferred from other state agencies into the Department of Personnel Revolving Fund.

Summary of <u>Personal Services</u> Recommendation (4) Central Services, (D) Facilities Maintenance and Planning, (1) Capitol Complex Facilities — Department of Personnel and Administration			
	Total	RF	FTE
FY 2008-09 Appropriation	2,667,077	2,667,077	53.2
FY 2008-09 Salary Survey	54,914	54,914	0.0
FY 2008-09 Performance Awards at 80 %	23,905	23,905	0.0
<b>Total Personal Services Recommendation</b>	<b>\$ 2,745,896</b>	<b>\$ 2,745,896</b>	<b>53.2</b>

**OPERATING EXPENSES**

This line item provides operating funds for the Capitol Complex facilities. The Department requests funding totaling \$1,722,617. This request includes \$151 for the statewide decision items for postage increase and mail equipment upgrade.



**Staff recommends the Committee approve the department's request.**

#### **CAPITOL COMPLEX REPAIRS**

This appropriation supports Capitol Complex repairs not funded in the base operating expenses appropriation. In FY 1999-00, the General Assembly created a separate line and appropriated additional base funding for routine HVAC repairs in the Capitol Complex. The department has requested a continuation level of funding of \$56,520 reappropriated funds. 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 is line item pays for a portion of the security related to the Capitol Complex. The department collects funds through the rental rate it charges agencies in the Denver Campus of Capitol Complex. These funds are then transferred to the Department of Public Safety which is the department responsible for security. The Department of Personnel and Administration is requesting \$304,163 reappropriated funds for FY 2009-10. **Staff's recommendation is for funding of \$323,000 for this line item.** This calculation was provided by the Department of Public Safety.

#### **S.B. 07-86 FALLEN HEROES MEMORIALS CONSTRUCTION FUND**

This bill creates a five-member commission in the Department of Personnel to oversee the design and construction of war memorials. The war memorials will be erected near the Colorado Veterans Monument in Lincoln Park to honor the lives of Coloradans who died during specific military conflicts. The bill also created the Fallen Heroes Memorial Construction Fund in the state Treasury. **Staff recommends the Committee approve adding a line item to the Long Bill titled: "S.B. 07-86 Fallen Heroes Memorials Construction Fund" and appropriating \$24,069 cash funds and 0.3 FTE consistent with the FY 2009-10 fiscal impact of the bill.**

#### **UTILITIES**

The Department is requesting continuation funding for utilities costs at \$3,657,802. **Staff recommends the Department's request.**

#### **INDIRECT COST ASSESSMENT**

The Department is requesting an appropriation of \$435,060 reappropriated funds. **Staff recommends the Committee approve the department's request, which is consistent with Committee common policy concerning 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.

(4) Central Services (D) Facilities Maintenance (2) Grand Junction State Services Building — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
Pipe/Mech. Trades	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**PERSONAL SERVICES**

The department requests \$48,459 reappropriated funds and 1.0 FTE. **Staff recommends the Department's request.**

Summary of <u>Personal Services Recommendation</u> (4) Central Services, (D) Facilities Maintenance and Planning, (2) Grand Junction State Services Building — Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2008-09 Appropriation	47,003	0	47,003	1.0
FY 2008-09 Salary Survey	966	0	966	0.0
FY 2008-09 Performance Awards at 80 %	490	0	490	0.0
<b>Total Personal Services Recommendation</b>	<b>\$ 48,459</b>	<b>\$ 0</b>	<b>\$ 48,459</b>	<b>1.0</b>

**OPERATING EXPENSES**

The Department requests continuation funding \$76,873 reappropriated funds. **Staff recommends the Department's request.**

**UTILITIES**

This appropriation supports utilities costs at the State Services Building in Grand Junction, Colorado. The department requests \$87,554 for FY 2009-10. **Staff recommends the Committee approve an appropriation of \$87,554 reappropriated funds.**

**(D) Facilities Maintenance**

**(3) Camp George West**

This section provides property and building management at Camp George West, located in Golden, Colorado. The land which was deeded to the State on July 1, 1999 and Department of Personnel and Administration has the authority to manage the property. The campus contains 285,755 square feet and has six tenants in FY 2009-10. It is staffed by 1.0 FTE responsible for building maintenance. Other functions, including some building maintenance, custodial services, snow removal, lot and road repair, trash disposal and grounds maintenance.

(4) Central Services (D) Facilities Maintenance (3) Camp George West — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
General Professional	0.3	0.1	0.1	0.1
Grounds/Nursery	0.2	0.2	0.2	0.2
LTC Operator	0.3	0.2	0.2	0.2
Structural Trades	0.0	0.0	0.0	0.0
Pipe/Mech Trades	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<b>Total</b>	<b>1.3</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

**PERSONAL SERVICES**

The Department requests funding of \$79,641 reappropriated funds and 1.0 FTE. **Staff recommends the Department's request.**

Summary of <u>Personal Services</u> Recommendation (4) Central Services, (D) Facilities Maintenance and Planning, (3) Camp George West — Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2008-09 Appropriation	66,232	0	66,232	1.0
FY 2008-09 Salary Survey	9,870	0	9,870	0.0
FY 2008-09 Performance Awards at 80 %	3,539	0	3,539	0.0
<b>Total Personal Services Recommendation</b>	<b>\$ 79,641</b>	<b>\$ 0</b>	<b>\$ 79,641</b>	<b>1.0</b>

**OPERATING EXPENSES**

The department requests funding of \$166,289 reappropriated funds. This request includes funding for **Decision Item #12 -Camp George West Ongoing Noxious Weed** of \$44,187. Staff notes that the Department has periodically requested funding for noxious weed eradication, with this request, the Department is asking for on-going funding to be able to address noxious weeds on an annual basis. According to the "Colorado Noxious Weed Act" departments are responsible for managing noxious weeds on any lands under their jurisdiction. If the Department were not to perform the eradication, Jefferson county could and charge the department for the costs plus penalties.

**Staff recommends the Department request for \$166,289 reappropriated funds.**

**UTILITIES**

This appropriation supports utilities costs at Camp George West, located in Golden. The department requests \$434,350 for FY 2009-10. **Staff recommends the Committee approve an appropriation of \$434,350 reappropriated funds.**

## ~~(5) FINANCE AND PROCUREMENT~~

This division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This division administers a statewide procurement program through the Bid Information and Distribution System (BIDS) and meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to maximize the purchasing power of the State. It manages the financial affairs of all department through the State Controller's Office by using the Colorado Financial Reporting Systems (COFRS). This includes statewide financial reporting, policy and procedural guidance, contract management, and the development of a statewide indirect cost allocation plan. Prior to FY 2000-01, the division managed the State's Privatization Program. The department transferred these responsibilities to the Human Resource Services Division. In FY 2001-02, the payroll office was transferred from the Human Resource Services Division to the State Controller's. This resulted in 5.0 FTE being transferred into this division.

### **The Department has submitted the following requests related to Finance and Procurement:**

- **Decision Item #4 - Procurement Services Statewide Outreach.** The State Procurement Office (SPO) requests funding \$149,143 and 2.0 FTE (funding from procurement card rebates or General Fund depending on the rebate amount for the year). The request is to fund staff who will provide oversight, outreach, and expansion of statewide delegated agency procurement and administration of the Procurement Card Program.
- **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff already recommended this portion of Decision Item #13 to re-name the division of Finance and Procurement to the "Division of Accounts and Control - Controller" and to move the Real Estate Services Program into the EDO, (B) Special Purpose and re-name it "Office of the State Architect".
- **Decision Item #14 - Central Collections Services Annual Temporary Staffing.** Collections Services is requesting \$15,658 cash fund (Debt Collection Fund) to bring in four outside temporary staff to assist with tax-offset calls for six weeks each.

## ~~(A) STATE CONTROLLER'S OFFICE AND PROCUREMENT SERVICES~~

### ~~(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER~~

The State Controller is statutorily charged (Section 24-30-201 through 24-30-207, C.R.S.) with managing the financial operations of the State of Colorado. This includes statewide financial reporting and policy and procedural guidance for the financial administration and control of all state agencies. Additionally, the State Controller's Office develops the Statewide Indirect Cost Allocation Plan (SWICAP), operates the state's payroll system, issues warrants, and provides specialized accounting services to other state agencies.

<b>(5) Division of Accounts and Control (A) Office of the State Controller — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
State Controller	1.0	1.0	1.0	1.0
Auditing	0.0	1.0	0.0	0.0
Accounting/ Controllers	20.6	19.5	19.5	20.5
General Professional/ Management	4.8	5.0	5.0	5.0
Support / Clerical	1.9	1.0	1.0	1.0
<b>Total</b>	<b>28.3</b>	<b>27.5</b>	<b>26.5</b>	<b>27.5</b>

### **FY 2008-09 Funding**

The State Controller's Office and Procurement Services was funded with General Fund, cash funds from procurement card rebates, and statewide indirect cost recoveries, though prior to FY 2003-04, it was primarily a General Fund agency. With a split office between the State Controller and Procurement Services the funding reality does not change, there is a limited amount of procurement card rebates, any excess statewide indirect costs that may spill over and offset General Fund, and there is the default funding of General Fund. For FY 2009-10, the funding mechanism will stay the same. Staff recommends that the newly created State Purchasing Office be funded with procurement card rebates first, then the State Controller will be funded with a balance of procurement card rebates, indirect costs and General Fund.

- ❑ ***Budget Amendment #16 - State Controller's Office Personal Services Reduction.*** This budget amendment proposes reducing funding in the State Controller by 1.0 FTE and \$76,788. **Staff does not recommend this reduction**, it does not make sense. The State Controller and Procurement unit had overspent its FTE appropriation for the past two years, for FY 2008 the over-expenditure was 1.8 FTE, for FY 2007 the over-expenditure was 3.7 FTE.

### **PERSONAL SERVICES**

The Office of the State Controller requests \$2,449,912 and 27.5 FTE. Staff recommendation is based on the funding table below. It accounts for what staff believes are available statewide indirect costs to be offset in Personnel. as well as additional funding from rebates from the procurement card program.

Summary of Personal Services Recommendation (5) Division of Accounts and Control - Controller (A) Office of the State Controller — Department of Personnel and Administration					
	Total	General Fund	CF	RF	FTE
FY 2009-10 Request for Office of the State Controller	2,449,912	1,368,375	971,382	110,155	27.5
Staff recommended adjustment for statewide indirect cost plan	0	161	0	(161)	0.0
Staff recommended refinance of General Fund with procurement card rebates	0	(91,660)	91,660	0	0.0
<b>Total Recommendation</b>	<b>2,449,912</b>	<b>1,276,876</b>	<b>1,063,042</b>	<b>109,994</b>	<b>27.5</b>

### OPERATING EXPENSES

The Office of the State Controller is requesting an appropriation of \$116,514 General Fund. **Staff recommends that the Committee approve an appropriation of \$116,514 General Fund.** Staff notes that the appropriation includes \$838 for the statewide decision item for mail equipment upgrade and postage increase.

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

The State Purchasing Office (formerly within the State Controller's Office and Procurement Services) manages statewide centralized procurement with duties that include the promulgation of the State's procurement rules; vendor BIDS system, electronic vendor notification system; procurement education and leadership; procurement and administration of Statewide price agreements.

(5) Division of Accounts and Control (B) State Purchasing Office — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
General Professional/ Management	10.1	9.0	11.0	9.0
<b>Total</b>	<b>10.1</b>	<b>9.0</b>	<b>11.0</b>	<b>9.0</b>

### PERSONAL SERVICES

- ☐ **Decision Item #4 - Procurement Services Statewide Outreach.** The State Procurement Office (SPO) requests funding \$149,143 and 2.0 FTE (funding from procurement card rebates or General Fund depending on the rebate amount for the year). The request is to fund staff who will provide oversight, outreach, and expansion of statewide delegated agency procurement and administration of the Procurement Card Program.

Department Justification for Request. Department states that it would like 2.0 FTE in order to

proactively promote and manage the procurement card program in order to increase the procurement card rebates. The Department quotes the 2008 GEM Performance Review which contemplates increasing usage of the procurement card as a payment method for existing purchases under the State's price agreements. The Department requests a state Purchasing Program Manager at the GP V level (request is for 50 percent PCard rebates funding and 50 percent Supplier Database Cash Fund) to manage statewide delegated agency procurement program evaluations, including analyzing the current review program and instituting changes to make improvements that will benefit the state purchasing process in Colorado.

The Statewide PCard Administrator is requested as a GP IV (100 percent PCard funded).

**Staff analysis.** Procurement Card rebates are limited. Currently, staff has used the entire amount of procurement card rebates staff is aware of. This number is \$1,946,878 and is split between the Office of the State Controller and the State Purchasing Office. The most up-to date number available to staff is in the FY 2008-09 funding bill for the Department of Personnel. Staff notes that if the PCard rebates don't materialize, or if the statewide indirect costs end up being less than what staff is currently estimating, the Office of the State Controller will be short funding. In that scenario, the General Fund will need to cover the shortfall. Staff does not believe that funding two new FTE in State Purchasing in the current environment of reduced General Fund revenues is prudent. **Staff does not recommend the request.**

**Staff recommends funding the State Purchasing Office at the level listed in the table below.** The Staff recommendation for the funding source is procurement card rebates.

Summary of Personal Services Recommendation (5) Division of Accounts and Control - Controller (B) State Purchasing Office — Department of Personnel and Administration					
	Total	General Fund	CF	RF	FTE
FY 2009-10 Request for State Purchasing Office	856,836	0	856,836	0	9.0
	0	0	0	0	0.0
<b>Total Recommendation</b>	<b>856,836</b>	<b>0</b>	<b>856,836</b>	<b>0</b>	<b>9.0</b>

**OPERATING EXPENSES**

**Staff recommends \$27,000 cash funds (procurement card rebates) for operating expenses for the State Purchasing Office for FY 2009-10.**

**(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.). The department's centralized database includes a listing of all businesses which are interested in providing goods and services to the state. Whenever the state issues requests for

proposals (RFPs) or invitations for bids for goods or services, the department notifies the businesses in the database that provides those goods or services.

The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.). This fund receives revenues from annual registration fees paid by vendors to access the statewide database.

Supplier Database Fees	
Time Period	Fee
1995 to September 1997*	\$25 - \$85
September 1997 to July 1998	\$75
July 1998 to January 2000	\$50
January 2000 to 2008	\$30
FY 2008-09 to present	\$40
* Prior to Sept. 1997, the program charged \$25 for in-state vendors and \$85 for out-of-state vendors.	

In the 2000 Long Bill, the Committee approved the department's request to create a new section of the Long Bill for 2.5 FTE that were funded by a \$94,462 appropriation from the Supplier Database Cash Fund. Prior to 2000 Long Bill, these FTE had been supported by the General Fund. The new section was intended to reduce the impact of the program on the General Fund for maintaining the BIDS database.

(5) Division of Accounts and Control - Controller (C) Supplier Database — Staff Summary				
	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Request	FY 2009-10 Recommend.
General Professional/ Management	0.9	2.0	2.0	2.0
Support / Clerical	1.0	1.0	1.0	1.0
IT Professional	1.0	0.0	0.0	0.0
<b>Total</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**PERSONAL SERVICES**

The Department is requesting an appropriation of \$196,133 cash funds (Supplier Database Cash Fund) and 3.0 FTE. This represents a continuation level of funding from FY 2008-09. **Staff recommends the Committee approve \$190,584 cash funds (Supplier Database Cash Fund) and 3.0 FTE for FY 2008-09.** The staff recommendation is calculated pursuant to Committee common



policy.

<b>Summary of Personal Services Recommendation</b>		
<b>(5) Division of Accounts and Control - Controller</b>		
<b>(C) Supplier Database — Department of Personnel and Administration</b>		
	<b>Cash Funds</b>	<b>FTE</b>
FY 2008-09 Appropriation	190,584	3.0
FY 2008-09 Salary Survey	4,233	0.0
FY 2008-09 Performance Awards at 80 %	1,316	0.0
<b>Total Recommendation</b>	<b>196,133</b>	<b>3.0</b>
* The source of cash funds is Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.).		

**OPERATING EXPENSES**

The Department is requesting an appropriation of \$43,382 cash funds (Supplier Database Cash Fund created pursuant to Section 24-102-202.5 (2), C.R.S.). This request represents a continuation level of funding from FY 2008-09. **Staff recommends the Committee approve an appropriation of \$43,382 cash funds (Supplier Database Cash Fund) for FY 2009-10.**

**(D) COLLECTIONS SERVICES**

Collections Services is statutorily responsible (Section 24-30-202.4, C.R.S.) for providing debt collection services for all of the state's agencies, as well as political subdivisions. It utilizes tools such as income tax interception vendor interception and employment information not available to private collection agencies to collect on referred debt. Debt is referred to Collections Services after 30 days. Collections Services then has up until 120 days to collection or the debt again gets referred; this time to private agencies.

In FY 2002-03 the Committee approved the budgetary reorganization of this program and moved it from the Division of Central Services to the Division of Finance and Procurement. The program is not structurally part of the Finance and Procurement Division. Under Section 24-30-202.4 C.R.S., the collection service of the state is to be the responsibility of the state controller.

<b>(5) Division of Accounts and Control - Controller (D) Collections Services — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Accounting	3.1	4.0	4.0	4.0
General Professional	4.0	4.0	4.0	4.0
Collections Rep	5.9	8.0	8.0	8.0
Information Tech.	0.2	1.0	1.0	1.0
Support/Clerical	2.0	3.0	3.0	3.0

Total	15.2	20.0	20.0	20.0
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**PERSONAL SERVICES**

- ☐ **Decision Item #14 - Central Collections Services Annual Temporary Staffing.** Collections Services is requesting \$15,658 cash fund (Debt Collection Fund) to bring in four outside temporary staff to assist with tax-offset calls for six weeks each.

**Department Justification of Request.** The Department states that one of the ways that the collections services (CCS) collects is through a Tax Offset program. By statute, CCS is required to notify debtors of the intent to offset their Colorado State Income Tax Refund and advise them of their right to request a Tax Offset hearing. Each fall, CCS mails out approximately 80,000 notices to debtors advising them of the intent to offset by sending out 5,000 to 10,000 notices every two weeks. The Department states that the volume of phone calls generated from the mailings are overwhelming to the staff, who also have a full workload of other responsibilities. Then, during the spring, taxpayers receive a notice from the Department of Revenue advising of the offset occurring, which generates a similar volume of phone calls by people inquiring about the debt and/or offset of their taxes.

The Department states that being able to bring in a temporary employee to assist with the sheer volume of phone calls can make a big difference in callers being able to reach someone when they call.

The Department states that without funding for additional personal services for temporary services, collectors will spend time responding to tax related calls and will not be able to focus on their goal of having a successful rate of collections during the tax season.

**Staff recommends the Committee fund the Department's request for \$15,658 cash funds (Debt Collection Fund) to hire four temporary employees for six weeks out of the year.**

The Department has requested \$938,677 of which \$612,272 is cash funds and \$326,405 is reappropriated funds. Both cash funds and reappropriated funds are from the Debt Collection Fund (Section 24-30-202.4 (3) (e), C.R.S.). **Staff recommends the Committee fund \$938,677 and 20.0 FTE for Collections Services. Of this amount, staff recommends the Committee fund \$612,272 from cash fund sources and \$326,405 from reappropriated funds.**

Summary of Personal Services Recommendation (5) Division of Accounts and Control - Controller (D) Collections Services, Personal Services — Department of Personnel and Administration				
	Total	CF	RF	FTE
FY 2008-09 Appropriation	894,144	596,614	297,530	20.0
FY 2008-09 Salary Survey	22,073	0	22,073	0.0

Summary of Personal Services Recommendation				
(5) Division of Accounts and Control - Controller (D) Collections Services, Personal Services — Department of Personnel and Administration				
	Total	CF	RF	FTE
FY 2008-09 Performance Awards at 80 %	6,802	0	6,802	0.0
DI-14 Collections Temporary Staffing	15,658	15,658	0	0.0
Fund Mix Adjustment	0			0.0
<b>Total Recommendation</b>	<b>938,677</b>	<b>612,272</b>	<b>326,405</b>	<b>20.0</b>

**OPERATING EXPENSES**

This line item provides operating funds for the state-operated collections agency. The department has requested funding of \$349,085. **Staff recommends the Committee fund the Departments request for \$349,085 for Operating Expenses in FY 2009-10.**

**COLLECTIONS OF DEBTS DUE TO THE STATE**

This budget line supports a program that collects taxes and fees from individuals who owe the state money. This money is transferred to the Department of Revenue to offset tax debt. The department has requested a continuation level of funding of 20,702 reappropriated funds spending authority. **Staff recommends that the Committee approve an appropriation of \$20,702 reappropriated funds spending authority as requested.**

**PRIVATE COLLECTION AGENCY FEES**

This line was added to the Department's budget through the FY 2005-06 supplemental process. The Department had requested this be done in order to reflect more accurately payment of private collection agency fees and out of pocket legal expenses incurred in collection of debts owed to the State. The Department requests funding for this line item at \$1,200,000 for FY 2009-10. **Staff recommends the Committee approve the Department's request for \$1,200,000 (\$378,111 cash funds and \$821,889 reappropriated funds).**

**INDIRECT COST ASSESSMENT**

The Department is requesting an appropriation of \$172,066 reappropriated funds. **Staff recommends the Committee approve the department's request, which is consistent with Committee common policy concerning the statewide indirect cost recovery plan.**

**(D) REAL ESTATE SERVICES PROGRAM**

**COORDINATION OF CAPITOL CONSTRUCTION, CONTROLLED MAINTENANCE REQUESTS, AND BUILDING LEASE REVIEW**

- Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Real Estate Services Program from the division of Finance and Procurement, into the EDO, (B) Statewide Special Purpose, (2) "Office of the State Architect".

**(6) INFORMATION AND ARCHIVAL SERVICES**

- ☐ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Information and Archival Services Program into the EDO, (B) Statewide Special Purpose, (3) "Colorado State Archives".

**(7) (6) OFFICE OF ADMINISTRATIVE COURTS**

This division provides an independent administrative law adjudication system for State agencies in order to resolve cases that concern worker's compensation, human services, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. The division conducts workers' compensation merit hearings for the entire state, public benefits cases that include food stamps, Colorado Works, and Medicaid, all professional licensing board work that involves the denial, revocation, suspension, and other disciplinary matters, and cases involving the Fair Campaign Practices Act among others.

<b>(7) Office of Administrative Courts — Staff Summary</b>				
	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation</b>	<b>FY 2009-10 Request</b>	<b>FY 2009-10 Recommend.</b>
Division Director	0.6	1.0	1.0	1.0
Administrative Law Judges	16.9	21.3	20.5	21.3
General Professional	3.4	4.0	5.0	2.2
Safety Security Officer	0.6	1.0	1.0	1.0
Support/Clerical	3.5	2.0	2.0	2.0
Technician	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>
<b>Total</b>	<b>36.5</b>	<b>40.8</b>	<b>41.0</b>	<b>39.0</b>

**PERSONAL SERVICES**

The personal services line item provides funding for the division's salaries, state PERA contributions, and Medicare taxes. In previous years, it has also provided the division with contractual services; these have been curtailed beginning in FY 2003-04.

S.B. 07-210 also appropriated the Independent Ethics Commission (IEC) into the Administrative

Courts line. The appropriation for FY 2008-09 was 112,043 and 1.8 FTE.

- ❑ **Decision Item #13 - FY 2009-10 Long Bill Realignment.** Staff recommended this portion of Decision Item #13 to move the Independent Ethics Commission from Administrative Courts into a newly created sub section called "Constitutionally Independent Entities". Staff already made a recommendation on this line item.
- ❑ **Decision Item #6 - Office of Administrative Courts Staffing Staffing Adjustment.** The Office of Administrative Courts requests 2.0 FTE and \$186,545 reappropriated funds (user fees from state agencies) to address workload issues and general services work.

**Department Justification of Request.** The Department states that over the past several years many bills have passed in the State Legislature that individually may not have warranted an appropriation to the OAC, the Department claims that the collective impact of all these bills have added extra workload to the Office.

The Department requests an Administrative Law Judge III to hear general services cases related to the Division of Youth Corrections, Central Collections Service, the Motor Dealer Board, Division of Human Services, and many other.

The Department also requests funding for a General Profession VII to be responsible for the supervision of the operations section of the OAC. This would include overall supervision of seventeen staff members in the three OAC sections, analyzing and managing the personnel services and operating expenditures for the OAC, coordinating OAC policies and protocols with the Director, and serving as a liaison between the operations of the OAC and other state agencies. The Department states that currently the OAC has neither a deputy director nor an operations director. The OAC states that many division within DPA and other state agencies have a deputy director.

**Staff analysis.** Staff notes that the OAC is funded by fees from user agencies. For FY 2008-09, the appropriations throughout state agencies total \$4.3 million (including \$779,000 General Fund). The General Fund portion currently stands at approximately 18 percent of the entire appropriation. This means that if this request is funded, the OAC will need to assess higher fees to state agencies in order to fund the additional staff. Staff also notes that during the current revenue shortfall, it is not the best time to fund additional state FTE, especially those that will need to be partially funded from the General Fund. **Staff does not recommend the OAC request for additional FTE and funding.**

**Staff recommends the Committee approve an appropriation of \$3,224,900 and 39.0 FTE.** This recommendation is consistent with Committee common policy.

Summary of Personal Services Recommendation (6) Office of Administrative Courts — Department of Personnel					
	Total	General Fund	Cash Funds	RF	FTE
FY 2008-09 Appropriation	3,135,849	90,320	28,546	3,016,983	40.8

Summary of Personal Services Recommendation (6) Office of Administrative Courts — Department of Personnel					
	Total	General Fund	Cash Funds	RF	FTE
FY 2008-09 Salary Survey	104,211	0	0	104,211	0.0
FY 2008-09 Performance Awards at 80 %	30,637	0	0	30,637	0.0
Add Back FY 2009 Hiring Freeze	51,368	6,845	0	44,523	0.0
DI-13 Move IEC Out of Administrative Courts	(97,165)	(97,165)	0	0	(1.8)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Total Recommendation</b>	<b>3,224,900</b>	<b>0</b>	<b>28,546</b>	<b>3,196,354</b>	<b>39.0</b>

### OPERATING EXPENSES

Operating expenses for the division supply the program with general office needs. The FY 2009-10 Department request is for \$180,308. This request includes funding for the Independent Ethics Commission, funding for Decision Item #6, and funding for the statewide mail equipment and postage increase. **Staff does not recommend the Committee approve the Department's request. Instead.**

**Staff recommends the Committee fund \$156,808 reappropriated funds (fees from state agencies) for the OAC operating expenses line.**

Summary of <i>Operating</i> Recommendation (6) Office of Administrative Courts — Department of Personnel				
	Total	General Fund	Cash Funds	RF
FY 2008-09 Operating Appropriation	177,310	21,723	0	155,587
DI-13 Move IEC out of Administrative Courts	(21,723)	(21,723)	0	0
Decision Item for Mail Equipment and Postage Increase	1,221	0	0	1,221
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Recommendation</b>	<b>156,808</b>	<b>0</b>	<b>0</b>	<b>156,808</b>

### INDIRECT COST ASSESSMENT

The department requests \$341,313 reappropriated funds for this division's indirect cost assessment. **Staff recommends approval of the request, which is consistent with the Statewide Indirect Cost Plan.**

Statewide billing rates for Administrative Law Judges are *pending*. These amounts cannot be determined until all common policies are established, including but not limited to Legal Services and Capitol Complex Leased Space. At that time staff will recommend fund sources (cash funds from non-state agencies and reappropriated funds from other state agencies).

## **REQUEST FOR INFORMATION RECOMMENDATIONS:**

**Staff recommends the Committee request that the Department provide the following report:**

**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: Staff notes that the OSPB and DPA did not provide an FTE report in 2008. In prior years they had provided a version. **Staff recommends the Committee request this report again this year. Staff believes that with the many issues and problems surrounding the funding, expenditure, and accounting of full-time equivalents, this report may help in providing useful information to the Committee.**