

This file contains three documents related to the Department of Personnel and Administration:

- A memorandum dated March 17, 2008, concerning staff technical comeback on the Department of Personnel FY 09 Leased Space line item funding split.
- A three-page memorandum dated March 13, 2008, concerning: (I) two Department non-prioritized budget amendments related to adjustments of Department spending authority as a result of changes in appropriations levels in other departments; (II) staff comeback on the Division of Human Resources, Training Services program line appropriation level; (III) staff comeback on common policy funding for the Central Services, (C) Fleet Management and Motor Pool Services, Vehicle Replacement Lease, Purchase or Lease/Purchase line item related to adjusted funding level for vehicle lease payments in the Department of Human Services.
- A file dated March 5, 2008, which includes all of staff's funding recommendations related to the Department of Personnel's FY 2008-09 budget request.

MEMORANDUM

TO: Joint Budget Committee

FROM: Viktor Bojilov, JBC staff (303) 866-2149

SUBJECT: Staff Comeback on Department of Personnel FY 09 Leased Space Line Item Funding Split.

DATE: March 17, 2008

During the March 5, 2008, JBC staff figure setting presentation for the Department of Personnel, staff recommended and the Committee approved a FY 2008-09 appropriation of \$1,616,226 (including \$482,497 General Fund, \$17,163 cash funds, and \$1,116,566 reappropriated funds).

During the Department's figure setting, the Committee also refinanced the Technology Management Unit (TMU) within the Division of Information and Technology (DoIT) from a unit which is financed by the General Fund to a unit which charges its client agencies directly for its services. Approximately 60 percent of the TMU workload is related to statewide support. The unit is estimated to expend \$79,473 in leased space costs for FY 2008-09. Staff estimates that \$47,684 of these funds will be directly billed to agencies.

Staff made an error and did not recommend refinancing 60 percent of the \$79,473 General Fund (\$47,684) appropriation in the Department's Leased Space line with reappropriated funds.

Staff recommends the Committee approve an adjustment to the Department's funding split for Leased Space. Staff recommends an adjusted appropriation of \$1,616,226 (including \$434,813 General Fund, \$17,163 cash funds, and \$1,164,250 reappropriated funds).

MEMORANDUM

TO: Joint Budget Committee

FROM: Viktor Bojilov, JBC staff (303) 866-2149

SUBJECT: Department of Personnel (3/5/08) and Common Policies (3/12/08) Figure Setting Staff Comebacks

DATE: March 13, 2008

1). Department of Personnel Non-prioritized Budget Amendment #9: Spending Authority to Correspond to Department of Regulatory Agencies Decision Item #2 - License Records Management Funding.

Department of Regulatory Agencies (DORA) Decision Item #2 (License Records Management Funding)

The Committee approved a DORA Decision Item #2 for an increase of \$89,706 cash funds in FY 2008-09 to image an existing backlog of boxes of application records and to provide an annual ongoing funding amount to image records annually. The Department estimated that the backlog reduction will require \$60,075 and the on-going appropriation would be \$29,631. Through this decision item, DORA is seeking to provide a reliable, secure, and efficient records management process for the documents it is required to receive and retain.

The Department of Personnel is requesting a corresponding increase in spending authority in *Central Services; (B) Integrated Document Factory; (2) Document Solutions Group; Personal Services* in the amount of \$87,033 reappropriated funds and in *Operating Expenses* in the amount of \$2,673 reappropriated funds in order to be able to perform the work for the Department of Regulatory agencies and image and scan license and applications records.

Staff recommends the Committee approve the Department's request.

2). Department of Personnel Non-prioritized Budget Amendment #8: State Fleet Management Corresponding Spending Authority for Department of Public Safety Budget Amendment #1 - CSP, HUTF Balancing, Traffic Safety Improvement Plan FY 08-09.

The Department of Personnel is requesting a reduction of \$3,720 in its *Division of Central Services; (C) Fleet Management and Motor Pool Services; Vehicle Replacement Lease, Purchase or Lease/Purchase* line item in order to account for a Department of Public Safety Budget Amendment #1 to reduce HUTF "Off-the-Top" appropriations for FY 2008-09 in order to balance to its 6.0 percent allowable annual growth.

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Staff does not recommend the Department's request. Staff discussed this issue with the Department of Public Safety analyst. According to the JBC staff analyst for the Department of Public Safety the vehicle lease line appropriation already reflects the reduction for one vehicle lease for one state trooper in FY 2008-09.

3). Staff Comeback on Department of Personnel; Division of Human Resources; (A) Human Resource Services; (2) Training Services line item.

During figure setting for this line item staff recommended, and the Committee approved, \$70,214 (\$45,214 cash funds and \$25,000 reappropriated funds) for the Training Services program. Staff's recommendation was \$8,766 lower than the Department request based on cash funds revenues listed by the Department. Upon discussion with the Department, staff realized that staff did not include in his analysis an estimated extra revenue for FY 2008-09 totaling \$8,766 (CFE / Reappropriated Funds).

Staff recommends the Committee approve increasing the appropriation to the Training Services line item by \$8,766 reappropriated funds to a total appropriation of \$78,980 (\$45,214 cash funds and \$33,766 reappropriated funds).

4). Staff Comeback on Common Policy for Department of Human Services Vehicle Lease Payments line item and Department of Personnel Central Services; (C) Fleet Management and Motor Pool Services; Vehicle Replacement Lease, Purchase or Lease/Purchase line item.

The Committee approved 4 additional vehicles and (\$6,466 corresponding funding) for the Department of Human Services for FY 2009 and a corresponding appropriation for Vehicle Lease Payments of \$690,236 total funds. Upon discussion with the Department, staff realized that this recommendation does not reflect Committee action for the Department's vehicle lease line, in particular, it does not include 6 additional vehicles that should be included in the line for FY 2009.

The Department provided staff information on the additional vehicles to be included in the Vehicle Lease Line for FY 2009:

- I. Office of Operations - Facilities Management: (DI #1) 4 vehicles for 4 months at a total cost of \$6,388;
- II. CMHI-Pueblo: (FY 08 S #1) 4 vehicles for 12 months at a total cost of \$11,185;
- III. Foster Care: (DI #8) 2 vehicles for 4 months at a total cost of \$1,888.

Staff recommends the Committee approve a total appropriation for the Department of Human

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Servicens, Vehicle Lease Payments line of \$703,231 for FY 2008-09.

In the Department of Personnel, **staff recommends the Committee approve a new amount for the *Central Services, Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease, Purchase or Lease/Purchase* for FY 2008-09 totaling \$12,558,203 (previously approved amount was \$12,545,556) in order to account for the change in appropriation to the Department of Human Services.**

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2008-09 STAFF FIGURE SETTING:

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

**Prepared By:
Viktor Bojilov, JBC Staff
March 5, 2008**

For Further Information Contact:

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

**FY 2008-09 Department of Personnel and Administration
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	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request

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.

Personal Services	1,547,223	1,601,478	1,648,595	1,724,974	1,707,188	1,707,188	
FTE	<u>19.3</u>	<u>18.5</u>	<u>21.5</u>	<u>21.5</u>	<u>21.5</u>	<u>21.5</u>	
Cash Funds Exempts / Reappropriated Funds	1,547,223	1,601,478	1,648,595	1,724,974	1,707,188	1,707,188	
Health, Life, and Dental	<u>1,100,248</u>	<u>1,665,725</u>	<u>2,317,727</u>	<u>2,658,273</u>	<u>2,658,273</u>	<u>2,658,273</u>	
General Fund	317,014	479,246	631,543	739,642 A	646,399	646,399	Jan 23, 2008 NPBA #6
Cash Funds	0	9,096	67,089	75,335 A	75,335	0	
Cash Funds Exempts / Reappropriated Funds	783,234	1,177,383	1,619,095	1,843,296 A	1,936,539	2,011,874	
Short-term Disability	<u>37,728</u>	<u>31,206</u>	<u>39,612</u>	<u>42,476</u>	<u>43,726</u>	<u>43,726</u>	
General Fund	7,283	6,043	4,279	14,178 A	3,661	3,661	Jan 23, 2008 NPBA #6
Cash Funds	596	965	1,662	944 A	3,288	0	
Cash Funds Exempts / Reappropriated Funds	29,849	24,198	33,671	27,354 A	36,777	40,065	
S.B. 04-257 Amortization Equalization Disbursement	<u>59,404</u>	<u>149,831</u>	<u>364,552</u>	<u>522,789</u>	<u>537,233</u>	<u>537,233</u>	
General Fund	12,562	42,825	38,404	174,503 A	44,125	44,125	Jan 23, 2008 NPBA #6
Cash Funds	1,657	9,368	15,339	11,623 A	40,471	0	
Cash Funds Exempts / Reappropriated Funds	45,185	97,638	310,809	336,663 A	452,637	493,108	SDI #3: C-SEAP FTE
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>74,808</u>	<u>167,509</u>	<u>251,094</u>	<u>251,094</u>	
General Fund	0	0	6,858	70,515 A	19,950	19,950	Jan 23, 2008 NPBA #6
Cash Funds	0	0	3,196	2,197 A	18,971	0	
Cash Funds Exempts / Reappropriated Funds	0	0	64,754	94,797 A	212,173	231,144	SDI #3: C-SEAP FTE
Salary Survey and Senior Executive Service	<u>903,959</u>	<u>848,161</u>	<u>1,013,184</u>	<u>1,262,157</u>	<u>1,261,487</u>	<u>1,261,487</u>	
General Fund	306,953	284,213	351,591	463,149 A	389,908	389,908	Jan 23, 2008 NPBA #6
Cash Funds	0	4,537	26,548	29,543 A	19,093	0	
Cash Funds Exempts / Reappropriated Funds	597,006	559,411	635,045	769,465 A	852,486	871,579	

	FY 2008-09						
	FY 2005-06	FY 2006-07	FY 2007-08	Staff Rec.		Staff Rec.	Change Request
	Actual	Actual	Appropriation	Request	Old Format	New Format	
Performance-based Pay	<u>0</u>	<u>0</u>	<u>452,094</u>	<u>502,318</u>	<u>502,318</u>	<u>502,318</u>	
General Fund	0	0	147,659	168,052 A	141,466	141,466	Jan 23, 2008 NPBA #6
Cash Funds	0	0	12,622	11,193 A	11,193	0	
Cash Funds Exempts / Reappropriated Funds	0	0	291,813	323,073 A	349,659	360,852	
Shift Differential - Cash Funds Exempt /Reappropriated Funds	36,064	36,064	77,436	83,246	83,246	83,246	
Workers' Compensation	<u>235,128</u>	<u>235,128</u>	<u>229,279</u> S	<u>293,188</u>	Pending	Pending	SS #6, SBA #4
General Fund	60,484	60,484	58,979	73,681 A			
Cash Funds	1,301	1,301	1,268	1,577 A			
Cash Funds Exempts / Reappropriated Funds	173,343	173,343	169,032	217,930 A			SDI #3: C-SEAP FTE, SBA#4
Operating Expenses	<u>99,841</u>	<u>99,657</u>	<u>99,842</u>	<u>99,842</u>	<u>99,842</u>	<u>99,842</u>	
Cash Funds Exempts / Reappropriated Funds	99,841	99,657	99,842	99,842	99,842	99,842	
Legal Services	192,345	249,783	369,193	289,993	Pending	Pending	
Hours	<u>2,984</u>	<u>3,686</u>	<u>5,126</u>	<u>4,026</u>	<u>4,026</u>	<u>4,026</u>	
General Fund	167,552	202,194	324,182 a/	244,982 a/			
Cash Funds Exempts / Reappropriated Funds	24,793	47,589	45,011	45,011			
Administrative Law Judge Services	<u>2,440</u>	<u>582</u>	<u>2,511</u> S	<u>2,457</u>	Pending	Pending	SS #5
General Fund	2,440	0	0	0			
Cash Funds Exempts / Reappropriated Funds	0	582	2,511	2,457			
Purchase of Services from Computer Center	<u>1,230,591</u>	<u>3,857,882</u>	<u>3,053,345</u> S	<u>4,129,454</u>	Pending	Pending	SS #1, SBA #1
General Fund	1,019,111	2,995,195	2,357,487	2,448,043 A			
Cash Funds	0	0	0	7,531 A			
Cash Funds Exempts / Reappropriated Funds	211,480	862,687	695,858	1,673,880 A			
Multiuse Network Payments - Cash Funds Exempt / Reappropriated Fun	89,936	36,257	101,764 S	104,686 A	Pending	Pending	SDI #2: MNT, SS #3, SBA #3
Payment to Risk Management and Property Funds	<u>395,721</u>	<u>1,068,603</u>	<u>560,892</u> S	<u>1,053,506</u>	Pending	Pending	SS #6, SBA #4
General Fund	101,795	274,885	144,283	263,096 A			
Cash Funds	2,189	5,910	3,102	5,617 A			
Cash Funds Exempts / Reappropriated Funds	291,737	787,808	413,507	784,793 A			
Vehicle Lease Payments	<u>110,215</u>	<u>124,538</u>	<u>116,706</u> S	<u>147,592</u>	Pending	Pending	SS #7
General Fund	272	174	2,118	2,910			SDI #1: Fleet Vehicle
Cash Funds Exempts / Reappropriated Funds	109,943	124,364	114,588	144,682 A			Replacements; Jan. 23, 2008 SBA #1

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
Leased Space	<u>1,159,374</u>	<u>1,189,812</u>	<u>1,453,054</u>	<u>1,647,304</u>	<u>1,616,226</u>	<u>1,616,226</u>	
General Fund	447,765	459,521	482,497	482,497	482,497	482,497	
Cash Funds	15,928	16,346	17,163	17,163	17,163	17,163	
Cash Funds Exempts / Reappropriated Funds	695,681	713,945	953,394	1,147,644	1,116,566	1,116,566	
Capitol Complex Leased Space	<u>1,037,901</u>	<u>1,153,033</u>	<u>1,195,160</u> S	<u>1,187,997</u>	Pending	Pending	SS #2, SBA #2
General Fund	484,085	539,826	571,387	573,795 A			
Cash Funds Exempts / Reappropriated Funds	553,816	613,207	623,773	614,202 A			
Communications Services Payments	<u>4,881</u>	<u>390</u>	<u>849</u> S	<u>899</u>	Pending	Pending	SS # 4
General Fund	1,541	390	849	899			
Cash Funds Exempts / Reappropriated Funds	3,340	0	0	0			
Test Facility Lease - General Fund	116,475	116,475	119,842	119,842	119,842	119,842	
Employment Security Contract Payment	<u>17,400</u>	<u>17,233</u>	<u>17,400</u>	<u>17,400</u>	<u>17,400</u>	<u>17,400</u>	
General Fund	10,889	10,722	10,889	10,889	10,889	10,889	
Cash Funds Exempts / Reappropriated Funds	6,511	6,511	6,511	6,511	6,511	6,511	
Employees Emeritus Retirement - General Fund	9,918	9,379	11,370	11,370	11,370	11,370	
HIPAA - Security Remediation	182,030	210,823	189,257	227,805	227,638	227,638	
FTE	<u>2.0</u>	<u>1.6</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	63,542	67,508	71,247	74,795	72,520	72,520	
Cash Funds Exempts / Reappropriated Funds	118,488	143,315	118,010	153,010	155,118	155,118	DI #2: HIPAA Risk Assessment
Governor's Transition - General Fund	0	10,000	0	0	0	0	
TOTAL - (1) EXECUTIVE OFFICE	8,568,822	12,712,040	13,508,472	16,297,077	9,136,883	9,136,883	Request vs. Appropriation 20.6%
FTE	<u>21.3</u>	<u>20.1</u>	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>	0.0
General Fund	3,129,681	5,559,080	5,335,464	5,936,838	1,942,627	1,942,627	11.3%
Cash Funds	21,671	47,523	147,989	162,723	185,514	17,163	10.0%
Cash Funds Exempt / Reappropriated Funds	5,417,470	7,105,437	8,025,019	10,197,516	7,008,742	7,177,093	27.1%

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

(2) DIVISION OF HUMAN RESOURCES

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
This division is responsible for the administration of the statewide classified personnel system, which includes approximately 30,197 employees, excluding the Department of Higher Education. It also administers the employee benefits programs (such as group health and dental benefits), manages statewide systems for payroll and basic employee information, and operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies. The primary sources of cash funds include the Deferred Compensation Fund, the Defined Contribution Fund, and payments from state enterprises for risk management services. The primary sources of cash funds exempt include the Risk Management Fund, the Self-Insured Property Fund, the Benefits Administration Fund, transfers from other state agencies, and indirect cost recoveries from other divisions within the Department.							
(A) Human Resource Services							
(1) State Agency Services							
Personal Services	1,761,261	1,924,012	1,964,350	2,039,876	2,019,788	2,019,788	
FTE	<u>22.1</u>	<u>24.7</u>	<u>27.2</u>	<u>27.2</u>	<u>27.2</u>	<u>27.2</u>	
Cash Funds Exempts / Reappropriated Funds	1,761,261	1,924,012	1,964,350	2,039,876	2,019,788	2,019,788	
Operating Expenses - CFE / RF	88,458	87,969	88,462	88,462	88,462	88,462	
(2) Training Services							
Personal Services	16,580	42,942	61,811	61,811	0	0	S # 5, BA #3
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	6,827	25,572	25,444	53,045 A	0	0	
Cash Funds Exempts / Reappropriated Funds	9,753	17,370	36,367	8,766 A	0	0	
Operating Expenses	<u>10,523</u>	<u>12,880</u>	<u>17,169</u>	<u>17,169</u>	<u>70,214</u>	<u>70,214</u>	S # 5, BA #3
Cash Funds	0	0	0	17,169 A	45,214	45,214	
Cash Funds Exempts / Reappropriated Funds	10,523	12,880	17,169	0 A	25,000	25,000	
Indirect Cost Assessment - CFE / RF	30,868	31,309	35,034	0	0	0	
(3) Colorado State Employees Assistance Program							
Personal Services - CFE / RF	278,995	288,732	298,474	634,834	619,824	619,824	SDI #3: C-SEAP FTE
FTE	4.4	4.4	4.5	10.0	10.0	10.0	
Operating Expenses - CFE / RF	37,050	35,610	37,233	71,828	71,828	71,828	SDI #3: C-SEAP FTE
Indirect Cost Assessment - CFE / RF	55,592	50,698	63,788	162,295	162,295	162,295	
							Request vs.
							Appropriation
(2) DIVISION OF HUMAN RESOURCES							
Subtotal - (A) Human Resource Services Section	2,279,327	2,474,152	2,566,321	3,076,275	3,032,411	3,032,411	19.9%
FTE	<u>26.5</u>	<u>29.1</u>	<u>32.7</u>	<u>38.2</u>	<u>37.2</u>	<u>37.2</u>	<u>5.5</u>
Cash Funds	6,827	25,572	25,444	70,214	45,214	45,214	176.0%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
Cash Funds Exempt / Reappropriated Funds	2,272,500	2,448,580	2,540,877	3,006,061	2,987,197	2,987,197	18.3%

(2) DIVISION OF HUMAN RESOURCES

(B) Employee Benefits Services

Personal Services	824,436	821,620	927,385	954,156	952,805	952,805	
FTE	<u>11.0</u>	<u>10.3</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	
General Fund	0	0	21,883	21,883	21,883	21,883	
Cash Funds Exempts / Reappropriated Funds	824,436	821,620	905,502	932,273	930,922	930,922	
Operating Expenses	<u>42,624</u>	<u>47,776</u>	<u>130,477</u>	<u>122,725</u>	<u>122,725</u>	<u>122,725</u>	
General Fund	0	0	78,252	70,500	70,500	70,500	
Cash Funds Exempts / Reappropriated Funds	42,624	47,776	52,225	52,225	52,225	52,225	
Utilization Review - CFE / RF	26,478	40,000	40,000	40,000	40,000	40,000	
Deferred Compensation Plans - CFE / RF	52,029	78,827	84,500	84,500	84,500	84,500	
Deferred Compensation Administration (TPA) - CFE / RF	614,308	601,546	682,000	682,000	682,000	682,000	
Defined Contribution Plans - CFE / RF	10,110	11,209	11,226	11,226	11,226	11,226	
Deferred Compensation Plan and Defined Contribution Plans							
Performance Audits - CFE / RF	0	0	160,000 S	0	0	0 S #1	
H.B. 07-1335 Pilot Disease Management Program - CFE	0	0	160,000	0	0	0	
S.B. 07-97 Supplemental State Contribution Fund - CFE	0	0	770,799	1,500,000	0	0	
H.B. 07-1335 Supplemental State Contribution Fund - Cash Funds	0	0	0	0	1,739,729	1,739,729	
Indirect Cost Assessment - CFE / RF	101,576	119,766	98,315	210,609	210,609	210,609	
							Request vs. Appropriation

(2) DIVISION OF HUMAN RESOURCES

Subtotal - (B) Employee Benefits Services	1,671,561	1,720,744	3,064,702	3,605,216	3,843,594	3,843,594	17.6%
FTE	<u>11.0</u>	<u>10.3</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>
General Fund	0	0	100,135	92,383	92,383	92,383	-7.7%
Cash Funds	0	0	0	0	1,739,729	1,739,729	
Cash Funds Exempt / Reappropriated Funds	1,671,561	1,720,744	2,964,567	3,512,833	2,011,482	2,011,482	18.5%

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

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
<small>² The FY 2007-08 appropriation in S.B. 07-97 was adjusted by H.B. 07-1359.</small>							
(2) DIVISION OF HUMAN RESOURCES							
(C) Risk Management Services							
Personal Services - CFE / RF	568,438	579,219	605,973	634,839	633,343	633,343	
FTE	8.2	8.0	9.0	9.0	9.0	9.0	
Operating Expenses - CFE / RF	49,989	50,563	57,104	57,104	57,104	57,104	
Audit Expense - CFE / RF	0	0	63,120	0	0	0	
Legal Services - CFE / RF	2,459,639	2,415,921	2,294,876	2,294,876	Pending	Pending	
Hours	38,164	35,649	31,860	31,860	31,860	31,860	
Liability Premiums	<u>5,271,058</u>	<u>4,540,332</u>	<u>9,255,890</u>	<u>8,977,137</u>	<u>8,977,137</u>	<u>8,977,137</u>	SS #6, SBA #4
Cash Funds	357,276	307,746	844,512	984,997	984,997	0	
Cash Funds Exempt / Reappropriated Funds	4,913,782	4,232,586	8,411,378	7,992,140	7,992,140	8,977,137	
Property Premiums	<u>5,818,914</u>	<u>6,556,767</u>	<u>9,214,224</u>	<u>11,855,953</u>	<u>11,855,953</u>	<u>11,855,953</u>	SS #6, SBA #4
Cash Funds	446,206	502,785	3,346,334	5,562,730	5,562,730	0	
Cash Funds Exempt / Reappropriated Funds	5,372,708	6,053,982	5,867,890	6,293,223	6,293,223	11,855,953	
Workers' Compensation Premiums	<u>26,517,136</u>	<u>30,254,216</u>	<u>29,807,598</u>	<u>31,896,783</u>	<u>31,896,783</u>	<u>31,896,783</u>	SS #6, SBA #4
Cash Funds	3,229,716	3,639,542	3,131,042	3,914,373	3,914,373	0	
Cash Funds Exempt / Reappropriated Funds	23,287,420	26,614,674	26,676,556	27,982,410	27,982,410	31,896,783	
Indirect Cost Assessment - CFE / RF	111,768	139,450	137,080	205,237	205,237	205,237	
							Request vs. Appropriation
(2) DIVISION OF HUMAN RESOURCES							
Subtotal - (C) Risk Management Services	40,796,942	44,536,468	51,435,865	55,921,929	53,625,557	53,625,557	8.7%
FTE	<u>8.2</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
Cash Funds	4,033,198	4,450,073	7,321,888	10,462,100	10,462,100	0	42.9%
Cash Funds Exempt / Reappropriated Funds	36,763,744	40,086,395	44,113,977	45,459,829	43,163,457	53,625,557	3.1%
TOTAL - (2) DIVISION OF HUMAN RESOURCES							
FTE	<u>45.7</u>	<u>47.4</u>	<u>54.2</u>	<u>59.7</u>	<u>58.7</u>	<u>58.7</u>	<u>5.5</u>
General Fund	0	0	100,135	92,383	92,383	92,383	-7.7%
Cash Funds	4,040,025	4,475,645	7,347,332	10,532,314	12,247,043	1,784,943	43.3%
Cash Funds Exempt / Reappropriated Funds	40,707,805	44,255,719	49,619,421	51,978,723	48,162,136	58,624,236	4.8%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request

(3) PERSONNEL BOARD

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

Personal Services	400,948	426,649	437,357	457,920	456,945	456,945	
FTE	<u>4.7</u>	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	230,922	20,585	227,902	248,465	119,797	119,797	
Cash Funds	680	488	1,196	1,196	1,196	1,196	
Cash Funds Exempt / Reappropriated Funds	169,346	405,576	208,259	208,259	335,952	335,952	
Operating Expenses	<u>29,032</u>	<u>29,033</u>	<u>29,033</u>	<u>29,033</u>	<u>29,033</u>	<u>29,033</u>	
General Fund	29,032	0	27,474	27,474	29,033	29,033	
Cash Funds Exempt / Reappropriated Funds	0	29,033	1,559	1,559	0	0	
TOTAL - (3) PERSONNEL BOARD	429,980	455,682	466,390	486,953	485,978	485,978	Request vs. Appropriation
FTE	<u>4.7</u>	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	4.4%
General Fund	259,954	20,585	255,376	275,939	148,830	148,830	0.0
Cash Funds	680	488	1,196	1,196	1,196	1,196	8.1%
Cash Funds Exempt / Reappropriated Funds	169,346	434,609	209,818	209,818	335,952	335,952	0.0%

(4) CENTRAL SERVICES

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

(A) Administration

Personal Services - CFE / RF	618,692	679,190	695,491	721,195	719,816	719,816	
FTE	8.5	9.4	10.0	10.0	10.0	10.0	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
Operating Expenses	77,411	70,832	77,427	77,427	77,427	77,427	
Indirect Cost Assessment	120,130	118,539	84,219	52,406	52,406	52,406	Request vs. Appropriation
(4) CENTRAL SERVICES							
Subtotal - (A) Administration	816,233	868,561	857,137	851,028	849,649	849,649	-0.7%
FTE	<u>8.5</u>	<u>9.4</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
Cash Funds	42,773	36,187	42,782	42,782	42,782	0	0.0%
Cash Funds Exempt / Reappropriated Funds	773,460	832,374	814,355	808,246	806,867	849,649	-0.8%

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

Personal Services	1,129,722	1,157,128	1,179,949	1,219,066	1,206,961	1,206,961	
FTE	22.8	21.8	24.6	24.6	24.6	24.6	
Operating Expenses	2,202,283	1,991,462	2,404,752	2,404,752	2,404,752	2,404,752	
Indirect Cost Assessment	183,917	237,079	232,704	169,705	169,705	169,705	Request vs. Appropriation

(4) CENTRAL SERVICES							
Subtotal - (B) Integrated Document Factory (1) Reprographics							
Services	3,515,922	3,385,669	3,817,405	3,793,523	3,781,418	3,781,418	-0.6%
FTE	<u>22.8</u>	<u>21.8</u>	<u>24.6</u>	<u>24.6</u>	<u>24.6</u>	<u>24.6</u>	<u>0.0</u>
Cash Funds	292,101	263,935	305,456	305,456	305,456	0	0.0%
Cash Funds Exempt / Reappropriated Funds	3,223,821	3,121,734	3,511,949	3,488,067	3,475,962	3,781,418	-0.7%

(2) Document Solutions Group^{al}

Personal Services	2,376,810	2,703,278	3,043,615 S	2,839,463 A	2,668,724	2,668,724	S #1, S#3, BA #1
FTE	46.7	45.4	60.0	60.0	60.0	60.0	
Operating Expenses	319,750	249,720	404,846	404,846	404,846	404,846	
Utilities	19,936	27,889	58,800	69,000	69,000	69,000	
Indirect Cost Assessment	158,898	197,566	169,477	136,708	136,708	136,708	Request vs. Appropriation

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
(4) CENTRAL SERVICES							
Subtotal - (B) Integrated Document Factory (2) Document Solutions Group							
	2,875,394	3,178,453	3,676,738	3,450,017	3,279,278	3,279,278	-6.2%
FTE	<u>46.7</u>	<u>45.4</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>0.0</u>
Cash Funds	35,906	28,042	35,917	35,917	35,917	0	0.0%
Cash Funds Exempt / Reappropriated Funds	2,839,488	3,150,411	3,640,821	3,414,100	3,243,361	3,279,278	-6.2%

(3) Mail Services

Personal Services	1,124,715	1,127,966	1,230,252	1,266,023	1,253,725	1,253,725	
FTE	28.5	29.6	36.0	36.0	36.0	36.0	
Operating Expenses	6,026,247	5,836,180	7,738,461	7,944,200 S A	7,944,200	7,944,200	NPS #2, NPBA #2
Indirect Cost Assessment	315,413	355,618	276,199	237,215	237,215	237,215	Request vs. Appropriation

(4) CENTRAL SERVICES							
Subtotal - (B) Integrated Document Factory (3) Mail Services							
	7,466,375	7,319,764	9,244,912	9,447,438	9,435,140	9,435,140	2.2%
FTE	<u>28.5</u>	<u>29.6</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>0.0</u>
Cash Funds	579,156	555,400	697,515	697,515	697,515	0	0.0%
Cash Funds Exempt / Reappropriated Funds	6,887,219	6,764,364	8,547,397	8,749,923	8,737,625	9,435,140	2.4%

(4) CENTRAL SERVICES							
Subtotal - (B) Integrated Document Factory							
	13,857,691	13,883,886	16,739,055	16,690,978	16,495,836	16,495,836	-0.3%
FTE	<u>98.0</u>	<u>96.8</u>	<u>120.6</u>	<u>120.6</u>	<u>120.6</u>	<u>120.6</u>	<u>0.0</u>
Cash Funds	907,163	847,377	1,038,888	1,038,888	1,038,888	0	0.0%
Cash Funds Exempt / Reappropriated Funds	12,950,528	13,036,509	15,700,167	15,652,090	15,456,948	16,495,836	-0.3%

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

(4) CENTRAL SERVICES

(C) Fleet Management and Motor Pool Services

Personal Services	761,898	777,713	812,043	883,489 S A	829,515	829,515	S #6, BA #4
FTE	15.0	14.9	16.3	17.0 A	16.0	16.0	
Operating Expenses	16,792,626	17,746,418	20,922,033	20,678,383 S A	20,918,340	20,918,340	S #4, BA #2, S #6, BA #4

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Vehicle Replacement Lease, Purchase or Lease/Purchase	11,504,611	12,479,698	14,370,521	14,062,983	Pending	Pending	Jan 23, 08 NPBA #2
Indirect Cost Assessment	610,215	632,210	430,448	302,858	302,858	302,858	SS #7, SDI #1: Fleet Vehicle Replacements, NPS #1, NPBA #1 NPS #3, NPBA #3 Jan 23, 2008 SBA #1 Jan 23, 2008 NPBA#1 Jan 23, 2008 NPBA#3 Request vs. Appropriation
(4) CENTRAL SERVICES							
Subtotal - (C) Fleet Management and Motor Pool Services	29,669,350	31,636,039	36,535,045	35,927,713	22,050,713	22,050,713	-1.7%
FTE	<u>15.0</u>	<u>14.9</u>	<u>16.3</u>	<u>17.0</u>	<u>16.0</u>	<u>16.0</u>	<u>0.7</u>
Cash Funds	1,691,364	1,847,561	1,948,015	1,948,015	1,948,015	0	0.0%
Cash Funds Exempt / Reappropriated Funds	27,977,986	29,788,478	34,587,030	33,979,698	20,102,698	22,050,713	-1.8%
(4) CENTRAL SERVICES							
(D) Facilities Maintenance							
(1) Capitol Complex Facilities							
Personal Services	2,496,457	2,562,660	2,601,617	2,807,638	2,667,077	2,667,077	DI #3: Capitol Complex
FTE	52.2	49.8	53.2	55.2	53.2	53.2	Facilities Consolidation
Operating Expenses	1,637,396	1,606,275	1,637,466	1,921,441	1,722,466	1,722,466	DI #3, SS #2, SBA #2
Capitol Complex Repairs	56,520	56,392	56,520	56,520	56,520	56,520	
Capitol Complex Security	260,379	260,379	289,484	289,484	Pending	Pending	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CFE / RF	0	0	13,225	24,069	0	0	
S.B. 07-86 Fallen Heroes Memorials Construction Fund -CF	0	0	0	0	24,069	24,069	
FTE	0.0	0.0	0.3	0.3	0.3	0.3	
Utilities	3,199,683	3,567,010	3,742,802	3,657,802	3,657,802	3,657,802	SS #2, SBA #2
Indirect Cost Assessment	311,204	434,644	377,456	273,929	273,929	273,929	Request vs. Appropriation
(4) CENTRAL SERVICES							

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Subtotal - (D) Facilities Maintenance (1) Capitol Complex Facilities							
Cash Funds Exempt	7,961,639	8,487,360	8,718,570	9,030,883	8,377,794	8,377,794	3.6%
FTE	<u>52.2</u>	<u>49.8</u>	<u>53.5</u>	<u>55.5</u>	<u>53.5</u>	<u>53.5</u>	2.0
Cash Funds	0	0	0	5,130	24,069	24,069	
Cash Funds Exempt / Reappropriated Funds	7,961,639	8,487,360	8,718,570	9,025,753	8,353,725	8,353,725	

(2) Grand Junction State Services Building

Personal Services	41,941	44,696	45,336	0	47,003	47,003	DI #3: Capitol Complex
FTE	1.0	1.1	1.0	0.0	1.0	1.0	Facilities Consolidation
Operating Expenses	75,692	76,469	76,873	0	76,873	76,873	DI #3: Capitol Complex Facilities Consolidation
Utilities	85,758	87,554	87,554	87,554	87,554	87,554	Request vs. Appropriation

(4) CENTRAL SERVICES

Subtotal - (D) Facilities Maintenance (2) Grand Junction State Services Building	203,391	208,719	209,763	87,554	211,430	211,430	-58.3%
FTE	<u>1.0</u>	<u>1.1</u>	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>(1.0)</u>
Cash Funds	5,051	5,103	5,130	5,130	5,130	0	0.0%
Cash Funds Exempt / Reappropriated Funds	198,340	203,616	204,633	82,424	206,300	211,430	-59.7%

(3) Camp George West

Personal Services	59,733	61,571	64,565	0	66,232	66,232	DI #3: Capitol Complex
FTE	1.0	1.1	1.0	0.0	1.0	1.0	Facilities Consolidation
Operating Expenses	163,978	165,303	122,102	0	122,102	122,102	DI #3: Capitol Complex Facilities Consolidation
Utilities	409,079	383,485	434,350	434,350	434,350	434,350	Request vs. Appropriation

(4) CENTRAL SERVICES

Subtotal - (D) Facilities Maintenance (3) Camp George West	632,790	610,359	621,017	434,350	622,684	622,684	-30.1%
FTE	<u>1.0</u>	<u>1.1</u>	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>(1.0)</u>
Cash Funds	46,843	48,950	48,950	48,950	48,950	0	0.0%
Cash Funds Exempt / Reappropriated Funds	585,947	561,409	572,067	385,400	573,734	622,684	-32.6%

Request vs.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
(4) CENTRAL SERVICES							
Subtotal - (D) Facilities Maintenance	8,797,820	9,306,438	9,549,350	9,552,787	9,211,908	9,211,908	0.0%
FTE	<u>54.2</u>	<u>52.0</u>	<u>55.5</u>	<u>55.5</u>	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Cash Funds	51,894	54,053	54,080	54,080	54,080	0	0.0%
Cash Funds Exempt / Reappropriated Funds	8,745,926	9,252,385	9,495,270	9,498,707	9,157,828	9,211,908	0.0%
TOTAL - (4) CENTRAL SERVICES							
	53,141,094	55,694,924	63,680,587	63,022,506	48,608,106	48,608,106	-1.0%
FTE	<u>175.7</u>	<u>173.1</u>	<u>202.4</u>	<u>203.1</u>	<u>202.1</u>	<u>202.1</u>	<u>0.7</u>
Cash Funds	2,693,194	2,785,178	3,083,765	3,083,765	3,083,765	0	0.0%
Cash Funds Exempt / Reappropriated Funds	50,447,900	52,909,746	60,596,822	59,938,741	45,524,341	48,608,106	-1.1%

(5) FINANCE AND PROCUREMENT

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

(A) State Controller's Office and Procurement Services

Personal Services	2,685,433	2,916,277	3,012,116 S	3,148,694	3,117,078	3,117,078 S #1	
FTE	<u>34.2</u>	<u>39.2</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	
General Fund	736,958	70,649	1,156,898 a/	898,180	1,261,860	1,261,860	
Cash Funds	0	409,082	0	0	0	1,855,218	
Cash Funds Exempt / Reappropriated Funds	1,948,475	2,436,546	1,855,218	2,250,514	1,855,218	0	
Operating Expenses	<u>137,351</u>	<u>135,302</u>	<u>145,556</u>	<u>142,676</u>	<u>142,676</u>	<u>142,676</u>	
General Fund	137,351	0	145,556 a/	142,676	142,676	142,676	
Cash Funds	0	135,302	0	0	0	0	
Request vs. Appropriation							

(5) FINANCE AND PROCUREMENT							
Subtotal - (A) State Controller's Office and Procurement Services	2,822,784	3,051,579	3,157,672	3,291,370	3,259,754	3,259,754	4.2%
FTE	<u>34.2</u>	<u>39.2</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	<u>36.5</u>	<u>0.0</u>
General Fund	874,309	70,649	1,302,454	1,040,856	1,404,536	1,404,536	-20.1%
Cash Funds	0	544,384	0	0	0	1,855,218	n/a

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Cash Funds Exempt / Reappropriated Funds	1,948,475	2,436,546	1,855,218	2,250,514	1,855,218	0	21.3%

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

(5) FINANCE AND PROCUREMENT

(B) Supplier Database

Personal Services - Cash Funds	168,863	178,715	182,337	191,037	190,584	190,584	
FTE	2.5	2.5	3.0	3.0	3.0	3.0	
Operating Expenses - Cash Funds	43,239	29,774	43,382	43,382	43,382	43,382	
							Request vs. Appropriation
(5) FINANCE AND PROCUREMENT							
Subtotal - (B) Supplier Database - Cash Funds	212,102	208,489	225,719	234,419	233,966	233,966	3.9%
FTE	2.5	2.5	3.0	3.0	3.0	3.0	0.0

(5) FINANCE AND PROCUREMENT

(C) Collections Services

Personal Services	751,960	771,948	874,777	903,004	894,144	894,144	
FTE	15.4	15.6	20.0	20.0	20.0	20.0	
Operating Expenses	329,557	300,610	358,100	349,085	349,085	349,085	
Collection of Debts Due to the State	20,702	0	20,702	20,702	20,702	20,702	
Private Collection Agency Fees	869,469	866,906	1,200,000	1,200,000	1,200,000	1,200,000	
Indirect Cost Assessment	165,820	172,089	208,569	260,606	260,606	260,606	
							Request vs. Appropriation
(5) FINANCE AND PROCUREMENT							
Subtotal - (C) Collections Services	2,137,508	2,111,553	2,662,148	2,733,397	2,724,537	2,724,537	2.7%
FTE	15.4	15.6	20.0	20.0	20.0	20.0	0.0
Cash Funds	1,125,539	1,073,348	1,323,490	1,344,512	1,344,512	1,344,512	1.6%
Cash Funds Exempt / Reappropriated Funds	1,011,969	1,038,205	1,338,658	1,388,885	1,380,025	1,380,025	3.8%

(5) FINANCE AND PROCUREMENT

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
(D) Real Estate Services Program							
Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review	492,913	505,064	514,170	534,146	533,168	533,168	
FTE	<u>5.8</u>	<u>5.6</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	492,913	248,308	514,170	534,146	533,168	533,168	
Cash Funds	0	134,673	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	0	122,083	0	0	0	0	
							Request vs. Appropriation
(5) FINANCE AND PROCUREMENT							
Subtotal - (D) Real Estate Services Program	492,913	505,064	514,170	534,146	533,168	533,168	<u>3.9%</u>
FTE	<u>5.8</u>	<u>5.6</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	0.0
General Fund	492,913	248,308	514,170	534,146	533,168	533,168	3.9%
Cash Funds	0	134,673	0	0	0	0	n/a
Cash Funds Exempt / Reappropriated Funds	0	122,083	0	0	0	0	n/a
							Request vs. Appropriation
TOTAL - (5) FINANCE AND PROCUREMENT	5,665,307	5,876,685	6,559,709	6,793,332	6,751,425	6,751,425	3.6%
FTE	<u>57.9</u>	<u>62.9</u>	<u>65.5</u>	<u>65.5</u>	<u>65.5</u>	<u>65.5</u>	0.0
General Fund	1,367,222	318,957	1,816,624	1,575,002	1,937,704	1,937,704	-13.3%
Cash Funds	1,337,641	1,960,894	1,549,209	1,578,931	1,578,478	3,433,696	1.9%
Cash Funds Exempt / Reappropriated Funds	2,960,444	3,596,834	3,193,876	3,639,399	3,235,243	1,380,025	13.9%

(6) DIVISION OF INFORMATION TECHNOLOGY

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

(A) Administration

Personal Services	377,995	390,674	400,483	420,851	419,800	419,800	
FTE	5.9	6.0	6.0	6.0	6.0	6.0	
Operating Expenses	6,270	6,245	6,450	6,450	6,450	6,450	
							Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (A) Administration - CFE / RF	384,265	396,919	406,933	427,301	426,250	426,250	5.0%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
FTE	5.9	6.0	6.0	6.0	6.0	6.0	0.0

(6) DIVISION OF INFORMATION TECHNOLOGY

(B) Customer Services

Personal Services	848,472	864,218	888,231	919,690	917,727	917,727	
FTE	11.0	12.0	12.0	12.0	12.0	12.0	
Operating Expenses	11,108	13,217	14,625	14,625	14,625	14,625	Request vs. Appropriation

(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (B) Customer Services - CFE / RF	859,580	877,435	902,856	934,315	932,352	932,352	3.5%
FTE	11.0	12.0	12.0	12.0	12.0	12.0	0.0

(6) DIVISION OF INFORMATION TECHNOLOGY

(C) Order Billing

Personal Services	597,104	626,656	641,024	664,114	662,877	662,877	
FTE	9.7	9.4	10.0	10.0	10.0	10.0	
Operating Expenses	8,459	10,750	10,750	10,750	10,750	10,750	Request vs. Appropriation

(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (C) Order Billing - CFE / RF	605,563	637,406	651,774	674,864	673,627	673,627	3.5%
FTE	9.7	9.4	10.0	10.0	10.0	10.0	0.0

(6) DIVISION OF INFORMATION TECHNOLOGY

(D) Communications Services

Personal Services	3,279,699	3,412,977	3,461,830	3,603,291	3,567,121	3,567,121	
FTE	40.5	44.5	46.0	46.0	46.0	46.0	
Operating Expenses	134,203	146,110	134,631	134,631	134,631	134,631	
Training	22,000	20,140	22,000	22,000	22,000	22,000	
Utilities	163,883	165,002	165,002	165,002	165,002	165,002	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
Snocat Replacement	243,787	230,520	230,520	230,520	230,520	230,520	
Local Systems Development	136,408	173,775	121,000	121,000	121,000	121,000	
Indirect Cost Assessment	300,166	342,402	433,320	474,771	474,771	474,771	
							Request vs. Appropriation

(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (D) Communications Services	4,280,146	4,490,926	4,568,303	4,751,215	4,715,045	4,715,045	4.0%
FTE	<u>40.5</u>	<u>44.5</u>	<u>46.0</u>	<u>46.0</u>	<u>46.0</u>	<u>46.0</u>	<u>0.0</u>
Cash Funds	442,622	449,248	448,350	448,350	448,350	0	0.0%
Cash Funds Exempt / Reappropriated Funds	3,701,116	3,867,903	3,998,953	4,181,865	4,145,695	4,594,045	4.6%
Federal Funds	136,408	173,775	121,000	121,000	121,000	121,000	0.0%

(6) DIVISION OF INFORMATION TECHNOLOGY

(E) Network Services

Personal Services	1,399,745	1,437,445	1,468,158	1,528,193	1,525,435	1,525,435	
FTE	16.4	15.5	17.0	17.0	17.0	17.0	
Operating Expenses	13,699,794	12,787,016	16,200,371	16,200,371	16,200,371	16,200,371	
Toll-free Telephone Access to Members of the General Assembly	25,000	25,000	25,000	25,000	25,000	25,000	
Indirect Cost Assessment	444,707	0	46,410	202,616	202,616	202,616	
							Request vs. Appropriation

(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (E) Network Services	15,569,246	14,249,461	17,739,939	17,956,180	17,953,422	17,953,422	1.2%
FTE	<u>16.4</u>	<u>15.5</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>0.0</u>
Cash Funds	1,618,933	1,522,249	1,864,215	1,864,215	1,864,215	1,200,000	0.0%
Cash Funds Exempt / Reappropriated Funds	13,950,313	12,727,212	15,875,724	16,091,965	16,089,207	16,753,422	1.4%

(6) DIVISION OF INFORMATION TECHNOLOGY

(F) Computer Services

Personal Services	2,531,420	2,600,163	2,655,746	2,774,478	2,745,773	2,745,773	
FTE	<u>37.6</u>	<u>39.3</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	
Cash Funds	127,741	127,742	127,487	127,487	127,487	2,328	
Cash Funds Exempt / Reappropriated Funds	2,403,679	2,472,421	2,528,259	2,646,991	2,618,286	2,743,445	

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
Operating Expenses	<u>6,016,908</u>	<u>5,564,162</u>	<u>6,181,350</u>	<u>6,181,350</u>	<u>6,181,350</u>	<u>6,181,350</u>	
Cash Funds Exempt / Reappropriated Funds	6,016,908	5,564,162	6,181,350	6,181,350	6,181,350	6,181,350	
Rental, Lease, or Lease/Purchase of Central Processing Unit	336,034	336,034	336,034	336,034	336,034	336,034	
Indirect Cost Assessment	595,768	467,949	566,864	678,807	678,807	678,807	
							Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (F) Computer Services	9,480,130	8,968,308	9,739,994	9,970,669	9,941,964	9,941,964	2.4%
FTE	<u>37.6</u>	<u>39.3</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>0.0</u>
Cash Funds	127,741	127,742	127,487	127,487	127,487	2,328	0.0%
Cash Funds Exempt / Reappropriated Funds	9,352,389	8,840,566	9,612,507	9,843,182	9,814,477	9,939,636	2.4%

(6) DIVISION OF INFORMATION TECHNOLOGY
(G) - Information and Archival Services

Personal Services	462,321	448,706	485,687	541,483	490,114	490,114	DI #1: State Archives
FTE	<u>8.1</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	Refinance, S #2
General Fund	425,281	351,462	362,965	436,771	385,402	385,402	
Cash Funds	23,872	79,064	78,669	93,811	93,811	93,811	
Cash Funds Exempt / Reappropriated Funds	13,168	18,180	44,053	10,901	10,901	10,901	
Operating Expenses	<u>56,722</u>	<u>48,948</u>	<u>56,794</u>	<u>56,794</u>	<u>56,794</u>	<u>56,794</u>	
General Fund	0	48,948	56,794	56,794	56,794	56,794	
Cash Funds	56,722	0	0	0			
							Request vs. Appropriation
(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (G) Information and Archival Services	519,043	497,654	542,481	598,277	546,908	546,908	10.3%
FTE	<u>8.1</u>	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0</u>
General Fund	425,281	400,410	419,759	493,565	442,196	442,196	17.6%
Cash Funds	80,594	79,064	78,669	93,811	93,811	93,811	19.2%
Cash Funds Exempt / Reappropriated Funds	13,168	18,180	44,053	10,901	10,901	10,901	-75.3%

(6) DIVISION OF INFORMATION TECHNOLOGY
(H) - Technology Management Unit

Personal Services	2,673,549	2,763,739	2,916,378	3,021,513	2,990,203	2,990,203	
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	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec.	Staff Rec.	Change Request
					Old Format	New Format	
FTE	<u>34.1</u>	<u>36.3</u>	<u>35.5</u>	<u>35.5</u>	<u>35.5</u>	<u>35.5</u>	
General Fund	2,673,549	2,763,739 a/	2,916,378 b/	0 A	0	0	SS #1, SBA #1
Cash Funds Exempt / Reappropriated Funds	0	0	0	3,021,513 A	2,990,203	2,990,203	
Operating Expenses	<u>292,906</u>	<u>295,842</u>	<u>497,376</u>	<u>529,371</u>	<u>529,371</u>	<u>529,371</u>	
General Fund	292,906	295,842	497,376 b/	0 A	0	0	SS #1, SBA #1
Cash Funds Exempt / Reappropriated Funds	0	0	0	529,371 A	529,371	529,371	

Request vs.
Appropriation

(6) DIVISION OF INFORMATION TECHNOLOGY							
Subtotal - (H) Technology Management Unit	2,966,455	3,059,581	3,413,754	3,550,884	3,519,574	3,519,574	4.0%
FTE	<u>34.1</u>	<u>36.3</u>	<u>35.5</u>	<u>35.5</u>	<u>35.5</u>	<u>35.5</u>	0.0
Subtotal - General Fund	2,966,455	3,059,581	3,413,754	0	0	0	-100.0%
Cash Funds Exempt / Reappropriated Funds	0	0	0	3,550,884	3,519,574	3,519,574	

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

b/ S.B. 07-228 appropriated in FY 07-08 \$361,897 General Fund and 2.0 FTE to the Department. Of this amount, \$50,913 and 1.0 FTE, and 3,380 Operating Expenses, is located in the State Controller's Office; and \$106,099 and 1.0 FTE, and \$201,505 Operating Expenses, is located in DoIT, Technology Management Unit.

							Request vs. Appropriation
TOTAL - (6) DIVISION OF INFORMATION TECHNOLOGY	34,664,428	33,177,690	37,966,034	38,863,705	38,709,142	38,709,142	2.4%
FTE	<u>163.3</u>	<u>171.0</u>	<u>176.3</u>	<u>176.3</u>	<u>176.3</u>	<u>176.3</u>	<u>0.0</u>
General Fund	3,391,736	3,459,991	3,833,513	493,565	442,196	442,196	-87.1%
Cash Funds	2,269,890	2,178,303	2,518,721	2,533,863	2,533,863	1,296,139	0.6%
Cash Funds Exempt / Reappropriated Funds	28,866,394	27,365,621	31,492,800	35,715,277	35,612,083	36,849,807	13.4%
Federal Funds	136,408	173,775	121,000	121,000	121,000	121,000	0.0%

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09			
				Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request

(7) ADMINISTRATIVE COURTS

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

Personal Services	2,871,379	2,945,674	3,089,064	3,201,823	3,170,099	3,170,099	
FTE	<u>35.6</u>	<u>35.7</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	
General Fund	0	0	80,856 a/	80,856 a/	80,047	80,047	
Cash Funds	28,745	28,689	28,546	28,546	28,546	28,546	
Cash Funds Exempt / Reappropriated Funds	2,842,634	2,916,985	2,979,662	3,092,421	3,061,506	3,061,506	
Operating Expenses	<u>144,860</u>	<u>136,459</u>	<u>172,023</u>	<u>166,731</u>	<u>166,731</u>	<u>166,731</u>	
General Fund	0	0	17,154 b/	11,144 b/	11,144	11,144	
Cash Funds Exempt / Reappropriated Funds	144,860	136,459	154,869 c/	155,587 c/	155,587	155,587	
Indirect Cost Assessment - CFE / RF	235,049	290,513	215,330	239,271	239,271	239,271	
TOTAL - (7) ADMINISTRATIVE COURTS	3,251,288	3,372,646	3,476,417	3,607,825	3,576,101	3,576,101	Request vs. Appropriation 3.8%
FTE	<u>35.6</u>	<u>35.7</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>	<u>0.0</u>
General Fund	0	0	98,010	92,000	91,191	91,191	
Cash Funds	28,745	28,689	28,546	28,546	28,546	28,546	0.0%
Cash Funds Exempt / Reappropriated Funds	3,222,543	3,343,957	3,349,861	3,487,279	3,456,364	3,456,364	4.1%

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

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

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

TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION	150,468,749	160,021,031	182,724,497	191,674,818	167,769,197	167,769,197	4.9%
FTE	<u>504.2</u>	<u>514.8</u>	<u>567.5</u>	<u>573.7</u>	<u>571.7</u>	<u>571.7</u>	<u>6.2</u>
General Fund	8,148,593	9,358,613	11,439,122	8,465,727	4,654,931	4,654,931	-26.0%
Cash Funds	10,391,846	11,476,720	14,676,758	17,921,338	19,658,405	6,561,683	22.1%
Cash Funds Exempt / Reappropriated Funds	131,791,902	139,011,923	156,487,617	165,166,753	143,334,861	156,431,583	5.5%
Federal Funds	136,408	173,775	121,000	121,000	121,000	121,000	0.0%

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 - Provides departmental leadership and direction for human resources, communications, legislative affairs, financial services, and other operational matters. It consists of 3.0 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.
- Information Technology Unit - This unit is budgetarily located within the Division of Information Technology, Technology Management Unit. It develops applications and information systems and provides desktop support for the internal business units of DPA under the direction of the Department CIO who resides in the Executive Office.
- 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 1.0 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 2.0 FTE.

(1) Executive Director's Office - Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Executive Director	1.0	1.0	1.0	1.0
Deputy Director	0.0	1.0	1.0	1.0
General Professionals/Management	7.4	8.0	8.0	8.0
Accounting/Budget	6.9	7.5	7.5	7.5
Support/Clerical	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total	19.3	21.5	21.5	21.5

PERSONAL SERVICES

The Department has requested an appropriation of \$1,720,975 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 2008-09, total indirect costs available in the plan that are earned by the Department of Personnel and Administration are \$231,820 more than those available in FY 2007-08, thus offsetting more General Fund throughout the Department. The Department identifies its indirect cost allocations in the following manner.

Department of Personnel and Administration Indirect Cost Recoveries by Program				
Program	FY 2007-08	FY 2008-09	Difference	Percentage
Training Services	35,034	0	(35,034)	-100.00%
C-SEAP	63,788	162,295	98,507	154.43%
Employee Benefits	98,315	210,609	112,294	114.22%
Risk Management	137,080	205,237	68,157	49.72%
Central Services - Administration	1,401,026	1,036,113	(364,913)	-26.05%
Central Services - DSG	169,477	136,708	(32,769)	-19.34%
Finance & Procurement - Collections	208,569	260,606	52,037	24.95%
Information Tech. Comm Services	433,320	474,771	41,451	9.57%

Department of Personnel and Administration Indirect Cost Recoveries by Program				
Program	FY 2007-08	FY 2008-09	Difference	Percentage
Information Tech. Network Services	46,410	202,616	156,206	336.58%
Information Tech. Computer Services	566,864	678,807	111,943	19.75%
Administrative Courts	<u>215,330</u>	<u>239,271</u>	<u>23,941</u>	<u>11.12%</u>
TOTAL	3,375,213	3,607,033	231,820	6.87%

The table below summarizes what line items in the Department are used in FY 2008-09 to apply the indirect costs from the table above:

Department of Personnel and Administration FY 09 Applied Indirect Cost Recoveries		
Line Item	Available	Applied
EDO - Personal Services		\$1,707,188
EDO - Short Term Disability		2,352
EDO - Amortization Equalization Disbursement		28,945
EDO - Supplemental Amortization Equalization Disbursement		15,749
EDO - Operating Expenses		99,842
DHR - State Agency Services - Personal Services		1,752,957
TOTAL	\$3,607,033	\$3,607,033

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 Department of State.

In FY 2007-08, the Department took indirect costs from the Department of Transportation, Department of Labor and Employment, and Department of State totaling \$687,197.

For FY 2008-09, staff's initial analysis shows that there are more 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 \$736,250. This amount is \$49,053 more than FY 2007-08, this means that additional General Fund will be offset in the Department.

Department of Personnel and Administration FY 09 Additional Indirect Costs From Other State Agencies		
Line Item	Available	Applied
DHR - State Agency Services - Personal Services		\$266,831
DHR - State Agency Services - Amortization Equalization Disbursement		29,018
DHR - State Agency Services - Supplemental Amortization Equalization Disbursement		15,987
DHR - State Agency Services - Operating Expenses		88,462
Personnel Board - Personal Services		247,490
Personnel Board - Operating Expenses		88,462
TOTAL	\$736,250	\$736,250

Staff recommends the Committee approve the application of the additional indirect costs from other departments in the manner described above. 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 Office:

Staff recommends the Committee approve an appropriation of \$1,707,188 and 21.5 FTE for the personal services line item in the Executive Office. This recommendation is consistent with common policy.

Summary of Personal Services Recommendation				
(1) Executive Director's Office — Department of Personnel and Administration				
	Total	GF	RF	FTE
FY 2007-08 Appropriation	1,648,595	0	1,648,595	21.5
FY 2007-08 Salary Survey	56,535	56,535	0	0.0
FY 2007-08 80% of Performance Awards	19,302	19,302	0	0.0
Base Reduction (-1.0 percent)	(17,244)	(758)	(16,486)	0.0
Fund Mix Adjustment	0	(75,079)	75,079	0.0
Total Recommendation	1,707,188	0	1,707,188	21.5

HEALTH, LIFE, AND DENTAL

The Department's November 1 request was for \$2,528,567 (\$689,539 General Fund and \$1,839,028 reappropriated funds) for health, life, and dental insurance for FY 2008-09 to maintain a State

contribution rate of 85 percent of prevailing market levels for FY 2008-09.

Committee common policy for health, life, and dental approved the January 2008 updated request which raised the state contribution to 90 percent of prevailing market levels for FY 2008-09. The Department's January 2008 updated request is for \$2,658,273 (\$739,642 General Fund and \$1,918,631 reappropriated funds).

Staff recommends the Department's request for total funding, however, staff does not recommend the Department's request for fund splits. The Department requests (Statewide Supplemental #1/Statewide Budget Amendment #1) to refinance the Technology Management Unit (TMU) within the Division of Information Technology from a General Funded program (the TMU provides approximately 60 percent of its services to other state agencies) to a program that bills agencies directly for its services. Staff recommends the Department's request to refinance the TMU. Based on this recommendation, staff recommends refinancing 60 percent of the TMU HLD costs from General Fund to reappropriated funds.

Based on the Department's January 2008 updated request of \$155,405 for TMU health, life, dental costs, staff recommends refinancing \$93,243 General Fund with reappropriated funds.

Staff recommends \$2,658,273 (\$646,399 General Fund and \$2,011,874 reappropriated funds) for health, life, and dental insurance for FY 2008-09.

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 department, through a budget amendment submitted in January 2008, requests \$42,476, including \$14,178 General Fund for short-term disability in FY 2008-09. Pursuant to OSPB common policy, the department applied a 0.13 percent factor to base salary to arrive at its request. 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 0.113 percent in year for FY 2006-07, and 0.13 percent for FY 2007-08 and FY 2008-09, to shift the entire risk of claims costs to the insurer (an indemnity policy). Pursuant to Committee common policy for FY 2008-09, staff has applied a factor of 0.13 percent to base salaries. Using Committee approved policy for short-term disability, staff computed the FY 2008-09 appropriation to be \$43,726. **Staff's recommendation is for an appropriation of \$43,726, including \$3,661 General Fund and \$40,065 reappropriated funds.**

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item funds the Amortization Equalization Disbursement to the Public Employees' Retirement Association. FY 2008-09 represents the fourth year when this payment is due and the rate is 1.4 percent of base salaries for July 2008 through December 2008 and 1.8 percent of base salaries for January 2009 through June 2009. The preceding formula is applied when calculating funding from cash funds and federal funds sources. When calculating for the General Fund, the 1.4 percent rate is applied for seven months and the 1.8 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, through a budget amendment submitted in January 2008, requests \$522,789 including \$174,503 General Fund. **Pursuant to Committee common policy, staff recommends the Committee approve an appropriation of \$537,233 including \$44,125 General Fund.**

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. Together, AED and SAED will contribute an additional 6 percent of total payroll to PERA by 2013.

The department, through a budget amendment submitted in January 2008, requests \$167,509 including \$70,515 General Fund. **Pursuant to Committee common policy, staff recommends the Committee approve an appropriation of \$251,094 including \$19,950 General Fund. Of this amount, \$168,179 will be taken out from the salary survey amount calculated for the department in order to fund the 0.5 percent FY 2008-09 incremental SAED amount.**

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 Department November 1, 2007 request for FY 2008-09 was \$1,191,312 which consists of \$441,333 General Fund and \$749,979 reappropriated funds.

The Committee has adopted a common policy for salary survey and senior executive service based on an updated Department recommendation from January 2008, the Committee adopted the Department's updated request for \$1,262,157 (\$463,149 General Fund and \$799,008 reappropriated funds).

Staff does not recommend the Department's request. The Department requests (Statewide Supplemental #1/Statewide Budget Amendment #1) to refinance the Technology Management Unit (TMU) within the Division of Information Technology from a General Funded program (the TMU provides approximately 60 percent of its services to other state agencies) to a program that bills

agencies directly for its services. Staff recommends the Department's request to refinance the TMU. Based on this recommendation, staff recommends refinancing 60 percent of the TMU Salary Survey costs from General Fund to reappropriated funds.

Based on the Department's January 2008 updated request of \$122,069 General Fund for TMU Salary Survey, staff recommends refinancing \$73,241 General Fund with reappropriated funds.

Staff recommendation for Salary Survey is made up of the following components:

Summary of Salary Survey Recommendation			
	Total	General Fund	RF
Department Request	1,262,157	463,149	799,008
Add in 0.5 percent SAED Request	167,509	70,515	96,994
Subtract Staff 0.5 percent SAED Calculation	(168,179)	(70,515)	(97,664)
Refinance TMU in DoIT	<u>0</u>	<u>(73,241)</u>	<u>73,241</u>
Staff Revised Recommendation	\$1,261,487	\$389,908	\$871,579

PERFORMANCE-BASED PAY AWARDS

The performance-based pay awards line item funds awards relating to employee performance and evaluations. The Department's November 1, 2007 request was for \$506,697, including \$170,326 General Fund and \$336,371 reappropriated funds.

The Committee has adopted a common policy for salary survey and senior executive service based on an updated Department recommendation from January 2008, the Committee adopted the Department's updated request for \$502,318 (\$168,052 General Fund and \$334,266 reappropriated funds).

Staff does not recommend the Department's request. The Department requests (Statewide Supplemental #1/Statewide Budget Amendment #1) to refinance the Technology Management Unit (TMU) within the Division of Information Technology from a General Funded program (the TMU provides approximately 60 percent of its services to other state agencies) to a program that bills agencies directly for its services. Staff recommends the Department's request to refinance the TMU. Based on this recommendation, staff recommends refinancing 60 percent of the TMU Performance-based Pay costs from General Fund to reappropriated funds.

Based on the Department's January 2008 updated request of \$44,310 General Fund for TMU Performance-based Pay, staff recommends refinancing \$26,586 General Fund with reappropriated funds.

Staff recommendation for performance-based pay awards is \$502,318, including \$141,466 General Fund and \$360,852 reappropriated funds.

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. Currently, the State pays percentage increases for shift differential (7.5 percent for second shift and 10.0 percent for third shift). 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 (OSPB) has submitted its request to fund shift differential at 80.0 percent of estimated need.

The department uses its shift differential to ensure that the state's mainframe computer is operational after business hours, 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. It requests \$83,246 reappropriated funds (user fees from other state agencies). The latest actual fiscal year information available is for FY 2006-07, the Department has requested 80 percent of its FY 2006-07 actual shift expenditures. **Staff recommends the Committee approve the Department's request for \$83,246 reappropriated funds for shift differential.** This figure is the same as was approved by the Committee during its consideration of common policy for shift differential on January 28, 2008.

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. The Department of Personnel and Administration November 1, 2007 request was for a total appropriation of \$300,226 (\$76,421 General Fund and \$223,805 reappropriated funds). Staff notes that the Department had a statewide supplemental request for FY 2007-08 for this line item in order to adjust billings to state agencies based on revised prospective loss estimates and updated program overhead costs. The Department's FY 2007-08 supplemental decrease for this line item totaled (\$162,720), including (\$41,858) General Fund. The Department also submitted a corresponding statewide budget amendment #4 in order to adjust statewide billings for FY 2008-09. **Staff's recommendation for workers' compensation is pending a Committee common policy for workers' compensation.**

OPERATING EXPENSES

The department is requesting an appropriation of \$99,842 reappropriated funds. 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 2008-09. **Staff recommends the Committee approve \$99,842 reappropriated funds (indirect cost recoveries) for operating expenses.**

LEGAL SERVICES

The department requests 4026 hours of legal services. This number is made up of 3,432 continuation hours as well as 594 hours for S.B. 07-210 in order to support the Independent Ethics Commission established with this bill. Large users of the department's legal services include the Division of Finance and Procurement, the State Personnel Board, and the Executive Office. **Staff recommends the Committee approve the Department's request for legal services hours (3,432 hours continuation hours plus 594 hours for S.B. 07-210) for FY 2008-09. Funding recommendations are 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. During the supplemental process for FY 2007-08, the Committee approved an increase of \$2,083 for this line item associated with the Personnel Board's use of ALJs. This appropriation is consistent with the historical cost allocation methodology. The department requests an appropriation of \$2,457 reappropriated funds in FY 2008-09 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 Division of Information Technology for the Department of Personnel and Administration's share of statewide computer assistance and usage. In FY 2002-03 the Joint Budget Committee consolidated this line. Prior to FY 2002-03, payments to GGCC were spread among various line items.

The Department is requesting \$4,129,454 for its share of payments to GGCC, including \$2,448,043 General Fund. Staff notes that the Committee approved a supplemental for this line item which increase the Department's appropriation for this line item for FY 2007-08 by \$498,463, including \$384,863 General Fund. Staff notes that the Department is also recommending refinancing the Technology Management Unit (TMU) within DoIT by including it within the GGCC billing methodology applied to state agencies. Because the Committee has not determined a common policy for "Purchase of Service from Computer Center" line items, **the staff recommendation for this line is pending.**

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. The department is requesting an appropriation of \$104,686 reappropriated funds (user fees from other state agencies). This includes requests related to a statewide decision item #2, statewide supplemental #3, and a statewide budget amendment #3. The requests are updating the Department's costs for multiuse network payments as a result of an update to agencies' circuit inventories and recoverable costs. **The staff recommendation on this line is pending Committee common policy for Multiuse Network Payments.**

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 \$1,053,506 for risk management and property. The request includes \$263,096 General Fund. Staff notes that the Department submitted a supplemental and a corresponding statewide budget amendment #4 to adjust billings to state agencies based on updated agency overhead and an adjustment to the funding reserves for the programs. **The staff recommendation for this line item is pending a common policy approved 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.

- ❑ ***Statewide Decision Item #1 - Vehicle Replacements and January 23, 2008, Statewide Budget Amendment #1.***

Request: The Department requests the replacement of 35 vehicles in its fleet for FY 2008-09.

Staff recommends the Committee approve the request (except for one vehicle) for 34 vehicle replacements in FY 2008-09. According to staff calculations and by applying Committee policy, all the requested vehicles are projected to have between 103,000 and 173,000 miles on them by March 1, 2009.

The staff recommendation on funding the vehicle lease payment line item is pending a Committee policy for the line, which is generally established at the end of figure setting.

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 \$1,647,304 for its leased space needs in FY 2008-09, including continuation appropriation of \$482,497 General Fund. The increased funding request includes out year funding totaling \$100,750 reappropriated funds for a FY 2007-08 decision item #2 to rent additional space for the Department's print and mail services operations in Pueblo, as well as a 6.4 percent lease inflationary factor (\$93,500 reappropriated funds) for FY 2008-09 for the remainder of its leases.

Staff does not recommend the Department's request for a 6.4 percent inflationary increase.

In September 2004, the Department of Personnel and Administration signed a lease agreement to

relocate many of its offices in the downtown area to 633 17th Street effective on July 1, 2005.

The department negotiated a 10 year lease beginning on July 1, 2005 for 62,993 square feet located at 633 17th St. in Denver. The rate for the first year of the lease was \$15.00 per square foot, the appropriation for FY 2006-07 was \$15.40 per square foot, the appropriation for FY 2007-08 was \$16.17 per square foot, or a five percent increase. Staff has calculated that a 5 percent increase for FY 2008-09 brings the cost per square foot to \$16.98. The department had initially stated that it does not expect the lease to increase more than \$2.00 per square foot over the life of the 10-year lease. However, staff notes that with the FY 2008-09 increase, the Department has reached the \$2.00 per square foot increase in the fourth year of the lease.

Staff recommends that the Committee flag this line item and not approve any further inflationary increases to leased space until the Department presents a decision item stating its new assumptions for inflationary factors over the life-time of the lease, the reasons for the change in assumptions, as well as an updated cost-benefit analysis for the Department's need to lease private property at higher rates rather than leasing from Capitol Complex.

Staff recommends the Committee approve an appropriation of \$1,616,226 for the Department of Personnel and Administration's leased space appropriation for FY 2008-09. Staff notes that this recommendation includes \$100,750 in out year costs for FY 2007-08 Decision Item #2, as well as \$62,422 which represents a five percent inflationary factor for the remainder of the Department's leases. This recommendation is based on the costs that are delineated in the table below.

Leased Space for Department of Personnel and Administration, FY 2008-09		
Division	Location	Annual Cost
Executive Office	633 17 th Street, Denver	266,061
Human Resources	633 17 th Street, Denver	12,733
Human Resources	Storage	848
Personnel Board	633 17 th Street, Denver	44,140
Central Services	633 17 th Street, Denver	16,977
Central Services	701 Court St., Pueblo	36,622
Central Services	2 Jetway Ct., Pueblo	304,455
Finance and Procurement	633 17 th Street, Denver	313,868
Information Technology	633 17 th Street, Denver	16,977
Information Technology	2452 West 2 nd Ave	93,852
Information Technology	Various	79,972

Leased Space for Department of Personnel and Administration, FY 2008-09		
Division	Location	Annual Cost
Administrative Hearings	633 17 th Street, Denver	398,667
Administrative Hearings	1259 Lake Plaza Drive, Colorado Springs	31,054
TOTAL		1,616,226

Based on the above, staff recommends the Committee approve fund splits of \$482,497 General Fund, \$17,163 cash funds, and \$1,116,566 reappropriated funds. The staff recommendation for fund splits is based on the following allocations:

Staff Recommendations for Lease Space Fund Splits, FY 2008-09				
Division	General Fund	Cash Funds	RF	TOTAL
Executive Office	253,392	0	0	253,392
Human Resources	807	0	14,201	15,008
Personnel Board	42,038	0	0	42,038
Central Services	0	0	298,404	298,404
Finance & Procurement	186,260	17,163	111,845	315,268
Information Technology	0	0	212,814	212,814
Administrative Hearings	<u>0</u>	<u>0</u>	<u>479,302</u>	<u>479,302</u>
TOTAL	482,497	17,163	1,116,566	1,616,226

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. Its request for capitol complex leased space is for \$1,187,997 including \$573,795 General Fund. The request includes funding for statewide budget amendment #2. Staff notes that the Department had submitted a FY 2007-08 statewide supplemental, which the Committee approved. **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 2008-09 Recommendation

	Square Footage	Rate	Total
Capitol Complex	82,734	TBD	TBD
North Campus	32,807	TBD	TBD
Grand Junction	2,990	TBD	TBD
TOTAL	118,531		PENDING
General Fund			Pending
Cash Funds			Pending
Cash Funds Exempt			Pending

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 \$899 General Fund for FY 2008-09. **The staff recommendation on this line item is pending a Committee common policy for communications services.** This will occur at the end of figure setting.

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

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 2008-09 of \$17,400 (\$10,889 General Fund and \$6,511 reappropriated funds- transfers from other state agencies).**

EMPLOYEES EMERITUS RETIREMENT

This appropriation supports payments to retired state workers under a program that expired. According to the Department, there are 6 former state employees who are eligible to receive this payment in FY 2008-09. 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.

There are currently six retirees paid from this line item. Another employee in the program is paid from the Judicial Department's budget. The department requests \$11,370 General Fund for the Employees Emeritus Retirement line item; this represents a continuation appropriation from the FY 2007-08 appropriation.

Staff recommends that the Committee approve an appropriation of \$11,370 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.

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.

(1) Executive Office - HIPAA - Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	0.9	1.0	1.0	1.0
IT Professional	<u>0.7</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	1.6	2.0	2.0	2.0

As part of the FY 2005-06 supplemental process, the Department submitted a supplemental request (DPA Supplemental #1) associated with additional recurring expenses ongoing maintenance and software licenses. The request was for \$31,337 of additional spending authority. The Committee approved the supplemental request.

Together with the supplemental, the Department submitted a budget amendment request (DPA Budget Amendment #1) associated with the additional spending authority necessary to continue the recurring expenses and additional funds to perform a required bi-annual risk assessment. The total additional funds for FY 2006-07 totaled \$56,337. For FY 2007-08 the Department reduced its request by \$25,000 which was used to fund a biannual risk assessment of CSEAP and Employee Benefits Services.

- ❑ **Decision Item #2: HIPAA Bi-Annual Risk Assessment.** The department requests \$227,805 and 2.0 FTE for FY 2008-09. The request includes \$35,000 reappropriated funds (reserves in the Computer Services Revolving Fund) for a bi-annual risk assessment (the Department intends to submit this request every two years). The reappropriated funds represent transfers from other state agencies through their use of Computer Services' centralized functions.

Department Justification for Request

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 requesting that it be appropriated the requested funds for the risk assessment on a bi-annual basis in order to perform a risk assessment. 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.

The Department states that based on guidance from the federal Department of Health and Human Services, the risk analysis/assessment should generally include the following steps:

- 1. Identify the scope of the analysis;*
- 2. Gather data;*
- 3. Identify and document potential threats and vulnerabilities;*
- 4. Assess current security measures;*
- 5. Determine the likelihood of threat occurrence;*
- 6. Determine the potential impact of threat occurrence;*
- 7. Determine the level of risk;*
- 8. Identify security measures and finalize documentation.*

In addition, the Department states that Section 24-37.5-404 (2)(d), C.R.S., of the State cyber security policies for IT Risk Management mandate that all agencies shall perform an agency-wide information technology risk assessment not less than annually. Even though the Department acknowledges that an annual assessment is justified for the Department, given the nature of the information that it is entrusted with, the Department intends to continue with a bi-annual assessment cycle, unless future circumstances dictate otherwise.

During FY 2003-04, the initial assessment for DPA was performed by CH2Mhill. During FY 2004-05, the Department absorbed the costs for the assessment and performed the assessment in-house within existing resources. For FY 2006-07, the Department paid an outside contractor to perform the assessment. The Department had originally expected to cycle the assessment between in-house resources and outside contractors, to ensure an objective analysis. However, since that time, the Department has determined that it does not have the sufficient level of technical skills necessary to complete the risk assessment internally.

In light of State and Federal regulations and the sensitive information that the Department is entrusted with managing and protecting, staff recommends the Committee approve the Department's request.

HIPAA Calculation for FY 2008-09	Request	Staff Recommendation
Personal Services	147,490	135,301
Operating Expenses	45,315	57,337
DI #2: HIPAA Bi-Annual Risk Assessment	35,000	35,000
TOTAL	227,805	227,638

The staff recommendation differs from the department request because staff followed Committee common policy by building the Department's personal services request by starting with last year's personal services appropriation.

Staff recommends the Committee approve \$227,638 and 2.0 FTE for HIPAA security compliance. Of the recommended amount, \$72,520 is General Fund and \$155,118 is cash funds exempt (transfers from other state agencies deposited into the Computer Services Revolving Fund).

GOVERNOR'S TRANSITION

Pursuant to Section 24-8-105, C.R.S., in every year that there is an election to elect a new governor, the General Assembly shall appropriate a sum of not less than ten thousand dollars to pay the necessary expenses of the governor-elect incurred between the general election and the inauguration, including, but not limited to, office supplies, postage, actual and necessary travel expenses, and compensation of administrative, secretarial, and clerical personnel. Any unexpended balance of such appropriation remaining after the payment of such expenses is to revert to the general fund.

The Department requested \$10,000 General Fund for Governor's Transition for FY 2006-07. **This line item is shown in the numbers pages for historical reference, the Committee does not need to take action on this line.**

(2) DIVISION OF HUMAN RESOURCES

This division is responsible for the administration of the State's classified personnel system, which includes approximately 30,197 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.

(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.

(2) Division of Human Resources (A) Human Resource Services (1) State Agency Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Director/Management	1.1	1.0	1.0	1.0
General Professional	19.0	21.0	21.0	21.0
Accounting/Budget	0.1	1.0	1.0	1.0
Support/Clerical	4.5	4.2	4.2	4.2
Total	24.7	27.2	27.2	27.2

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 \$2,039,876 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 \$2,019,788 reappropriated funds (indirect cost recoveries) and 27.2 FTE. The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation			
(2) Human Resource Services Division (A) Human Resource Services			
(1) State Agency Services — Department of Personnel and Administration			
	Total	RF	FTE
FY 2007-08 Appropriation	1,964,350	1,964,350	27.2
FY 2007-08 Salary Survey	57,627	57,627	0.0
FY 2007-08 80% of Performance Awards	18,213	18,213	0.0
Base Reduction (-1.0 Percent)	(20,402)	(20,402)	0.0
Total Recommendation	2,019,788	2,019,788	27.2
* The source of reappropriated funds is from indirect cost recoveries.			

OPERATING EXPENSES

The Department is requesting a continuing appropriation of \$88,462 reappropriated funds. **Staff recommends the Committee approve an appropriation of \$88,462 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.

(2) Human Resource Services Division (A) Human Resource Services Section				
(2) Training Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	<u>0.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
Total	0.0	1.0	1.0	0.0

PERSONAL SERVICES

The personal services line item for Training Services pays for salary, PERA contributions of the state, and Medicare taxes for the program's staff. The appropriation also contains funding for contracted professional services. The department requests an appropriation of \$61,881 and 1.0 FTE.

- **Budget Amendment #3: Funding Adjustment.** The Department requests adjusting its funding sources by increasing cash funds by \$44,770 and decreasing cash funds exempt by \$44,770.

The Department states that it believes that due to funding cuts beginning in FY 02-03, program revenue dropped because agencies were using their appropriations on other priorities.

The Department states that it has now focused its efforts on marketing, a partnership with Colorado

State University, and recent offerings to employees regarding retirement planning.

The Department's partnership with Colorado State University involves the provision of Training Services (the Professional Development Center), design and deliver State specific training programs and assist CSU with designing general State employee training programs. Training programs are offered based on the business needs of State government as expressed by employees, supervisors and managers, as well as the governor and the legislature. Under the new model, training is available through five sources:

1. Professional Development Center. Courses are developed and delivered by DHR staff and are specific to state government on topics that external providers are unlikely to be able to deliver. Examples include state system hiring, state purchasing, government contracting, state rule application, progressive discipline, and performance management.

2. CSU through an interagency agreement. Courses are developed and delivered by CSU and are of a more general nature but tailored to state government. Examples include software applications, communication, conflict management, customer service, supervision, leadership, and technical skills.

3. Market vendors. Courses are purchased through a third party where the subject matter is highly specific or the need is limited. Examples include technical software training specific to a department's internal systems, courses limited to a single department, or a one-time need.

4. E-Learning vendors. CSU has an extensive on line class inventory that is currently available for enrollment by state employees. These courses are listed and described on the DPA website. In addition, other public and private sector vendors are available by contract to provide needed on line training programs.

5. Colorado Training Network collaboration. Trainers in state agencies around Colorado provide advice and information to the PDC on state training needs and are available to exchange and share training resources at low or no cost on a space available basis.

Staff Analysis:

The number of enrollees in programs offered by the program has decreased since FY 2002-03 by 61 percent and the number of training hours has decreased by 49 percent.

During FY 2006-07 figure setting, the department had indicated to staff that it does not anticipate a change in workload in FY 2006-07 compared to FY 2005-06. However, workload had decreased since FY 2002-03. In addition, for the past three fiscal years, the Department has reverted the 3.0 FTE appropriated for FY 04-05, the 2.0 FTE appropriated for FY 05-06, and the 1.0 FTE appropriated for FY 06-07.

Given the new direction and partnership of the Department, staff believes that an FTE appropriation for this line item is no longer necessary, what the Department states that it needs is spending authority to be able to receive revenue from the new initiatives discussed above.

The table below shows the Department's estimate of revenue sources for FY 2007-08:

Department Estimate of Revenue Sources for FY 2007-08	Revenue
Pre-retirement workshops (typically paid by employees)	10,350
Onsite Classes (higher education institutions and others)	24,700
Colorado State University Partnership	9,600
Employee self-paid enrollments in PDC general curriculum	<u>25,564</u>
Total Estimated Revenue	\$70,214

Given the fact that the Department is pursuing a different direction with the management and funding for this program, staff feels that an FTE appropriation is not needed for this program anymore given that FTE spending authority has reverted in whole for the past three years. **Staff recommends the Committee discontinue to appropriate a personal services and operating expenses line. Instead, staff recommends the Committee appropriate a single line item for the Training Services program with \$70,214 (\$45,214 cash funds and \$25,000 reappropriated funds).**

Summary of Personal Services Recommendation				
(2) Human Resource Services Division (A) Human Resource Services (2) Training Services Program — Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2007-08 Appropriation	61,811	25,444	36,367	1.0
Discontinue Appropriation	<u>(61,811)</u>	<u>(25,444)</u>	<u>(36,367)</u>	<u>(1.0)</u>
Total Recommendation	0	0	0	0.0
* 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.				

OPERATING EXPENSES

The Department is requesting an appropriation of \$17,169 cash funds (training revenues). This represents a continuation of the current fiscal year's appropriation with a move of funding revenue from reappropriated funds to cash funds as described within Budget Amendment #3 above.

Staff recommends the Committee approve an appropriation of \$70,214 (\$45,214 cash funds and \$25,000 reappropriated funds). Staff also recommends not continuing to appropriate a personal services and operating expenses line items, but to appropriate the entire \$70,214 in a line item titled: "Training Services."

INDIRECT COST RECOVERIES

Pursuant to the Committee approval of the statewide indirect cost recovery plan, **staff recommends approval of the Department's request for no appropriation of indirect cost recoveries for the Training Services program for FY 2008-09.**

(A) HUMAN RESOURCE SERVICES

(3) Colorado State Employees Assistance Program

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.

(2) Human Resource Services Division (A) Human Resource Services (3) Colorado State Employee Assistance Program — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Support/Clerical	0.8	0.8	2.1	2.1
General Professional	<u>3.6</u>	<u>3.7</u>	<u>7.9</u>	<u>7.9</u>
Total	4.4	4.5	10.0	10.0

PERSONAL SERVICES

The Department is requesting an appropriation of \$634,834 reappropriated funds and 10 FTE.

- Statewide Decision Item #3 - Statewide C-SEAP Program Funding.** The Department has requested \$361,133 reappropriated funds (Workers Compensation Account) and 5.5 FTE to supplement existing Colorado State Employee Assistance Program (C-SEAP).

Statewide Decision Item #3 – Statewide C-SEAP Program Funding			
Line Item			
	RF	Total	FTE
EDO, Workers' Compensation	3,144	3,144	
EDO, AED	4,541	4,541	
EDO, SAED	2,129	2,129	
DHR, C-SEAP, Personal Services	316,724	316,724	5.5

Statewide Decision Item #3 – Statewide C-SEAP Program Funding			
Line Item			
	RF	Total	FTE
DHR, C-SEAP, Operating Expenses	<u>34,595</u>	<u>34,595</u>	
Total	361,133	361,133	5.5

Department Justification for the Request. The Department requests 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.

The Department states that during the past six years, utilization and associated workload for C-SEAP staff has increased by 134 percent, from 3,034 clients served during FY 01-02 to 7,094 clients served in FY 06-07. The Department projects that by the end of FY 07-08 it could potentially serve 8,000 employees and by the end of FY 08-09 it could serve up to 9,000 employees.

The Department states that according to National Employee Assistance (EAP) Standards, a generally accepted rule is that one full-time employee assistance counselor can adequately serve between 2,500 and 4,000 employees. A higher ration of employee assistance professional staff enables the organization to provide more comprehensive services.

According to Section 24-50-604 (1)(k)(II)(A), C.R.S., any state employee is eligible to participate in the program. The Department states that due to this statute, approximately 70,000 state employees are eligible for assistance. Based on the current 3.3 FTE counselors, the Department states that the current ratio is 21,000 to 1 FTE.

The Department has provided a description of the FTE need by region:

Denver:	
Individual Clients	1,017
Workplace Consultation	414
Organizational Assistance Participants	<u>4,241</u>
Total	5,672
Current FTE: 3.3 (1.5 Professional; 1.8 Admin.)	
Requested FTE: 2.2 (1 Professional; 1.2 Admin.)	
Total FTE: 5.5 (2.5 Professional; 3 Admin.)	

Denver: This region is the largest in terms of service provision. The Denver office also provides back-up phone coverage for the outlying offices. The current 1.5 professional FTE, as well as the director of the program, provide a wide range of services. The additional 1.0 professional FTE will allow the director to focus on program administration and additional clinical and consultative time and expertise. Due to the time required for data entry and accurate record keeping, the intent is for C-SEAP to provide a Call Center out of the Denver office for the purpose of central scheduling and initial data entry

Southern Colorado:	
Individual Clients	385
Workplace Consultation	84
Organizational Assistance Participants	<u>656</u>
Total	1,125
Current FTE: 1.0 (Professional)	
Requested FTE: 1.0 (Professional)	
Total FTE: 2.0 (Professional)	

Southern Colorado: This region is experiencing increased demand, and the load in all categories has reached a critical point. The wait for an appointment in Southern Colorado is at least three weeks. The program also intends to continue with an internship program.

Western Colorado:	
Individual Clients	71
Workplace Consultation	19
Organizational Assistance Participants	<u>130</u>
Total	220
Current FTE: 0.25 (Professional)	
Requested FTE: 0.75 (Professional)	
Total FTE: 1.0 (Professional)	

Western Colorado: This region is currently served by a 10hr/week professional. The Demand for services is significant, particularly by DHS, CDOT, and DOC. During FY 07, 64 percent of the management consultation involved seriously distressed employees. The wait to meet with the professional often reaches one month.

<u>Northern Colorado:</u>	
Individual Clients	53
Workplace Consultation	24
Organizational Assistance Participants	<u>0</u>
Total	77
Current FTE: 0.0 (1 contract employee)	
Requested FTE: 1.0 (Professional)	
Total FTE: 1.0 (Professional)	

Northern Colorado: The demand for services has been growing in Sterling, Ft. Collins, and Greeley. For example, the contractor has been unable to meet the demand for services at Sterling Correctional Facility.

<u>Durango/Alamosa:</u>	
Individual Clients	0
Workplace Consultation	0
Organizational Assistance Participants	<u>0</u>
Total	0
Current FTE: 0.0	
Requested FTE: 0.0 (0.25 Durango and 0.25 Alamosa)	
Total FTE: 0.5 (Professional)	

Durango/Alamosa: This region is not currently covered by C-SEAP, except by phone.

Staff Recommendation. Staff recommends the Committee approve the Department's request. Staff calculation for the request is different for the personal services component. Staff is using Fiscal Note assumptions, thus staff does not recommend the AED and SAED request for year one. Staff is also using current FY 2007-08 class code compensation for the FTE. Staff notes that funding for this program comes from the Workers' Compensation allocation to departments. As such, departments will be assessed the increased costs of this decision item during common policy figure setting for the Workers' Compensation.

DI #3 - Personal Services Calculation	FY 2008-09
4.3 FTE - GP IV @ \$4,530/mo.	233,748
1.0 FTE - Adm. Asst. II @ \$2,479/mo.	29,748

DI #3 - Personal Services Calculation	FY 2008-09
0.2 FTE Program Asst. II @ \$3,222/mo.	7,733
PERA and Medicare @ 11.6 percent	31,463
Total Calculation	302,692

Staff recommends the Committee approve funding of

Summary of Personal Services Recommendation		
(2) Human Resource Services Division (A) Human Resource Services (3) Colorado State Employee Assistance Program — Department of Personnel		
	RF	FTE
FY 2007-08 Appropriation	298,474	4.5
FY 2007-08 Salary Survey	13,940	
FY 2007-08 80 % of Performance Awards	4,718	
Statewide Decision Item #3	<u>302,692</u>	<u>5.5</u>
Total Recommendation	619,824	10.0

OPERATING EXPENSES

The Department has requested an appropriation of \$71,828 reappropriated funds. The request includes two components: \$37,233 continuation appropriation as well as \$34,595 for **Statewide Decision Item #3**. **Staff recommends the Committee approve the department's request for the continuation operating expenses appropriation as well as for Decision Item #3 for FY 2008-09.**

DI #3 - Operating Expenses Calculation	FY 2008-09
Ongoing Operating Expenses - 5.5 @ \$500/FTE	2,750
Ongoing Travel Expenses - 4.3 @ \$2,411/FTE	10,367
Ongoing Telephone - 5.5 @ \$450/FTE	2,475
Computer Equipment - 5.5 @ \$900/FTE (one-time)	4,950
Office Suite Software - 5.5 @ \$330/FTE (one-time)	1,815
Office Equipment - 5.5 @ \$,2225/FTE (one-time)	12,238
Total Calculation	34,595

INDIRECT COST RECOVERIES

The Department requests an appropriation of \$162,295 pursuant to the statewide indirect cost recovery plan. **Staff recommends the Committee approve the department's request, which is pursuant to established common policy.**

(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.

(2) Human Resource Services (B) Employee Benefits Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	6.3	8.0	8.0	8.0
Accounting	1.3	1.0	1.0	1.0
Support / Clerical	<u>2.7</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	10.3	12.0	12.0	12.0

PERSONAL SERVICES

The Department is requesting an appropriation of \$954,156 (\$21,883 General Fund and \$932,273 reappropriated funds from the Deferred Compensation Administration Fund and the Defined Contribution Plan Administration Fund) and 12.0 FTE.

Staff recommends the Committee approve an appropriation of \$952,805 (\$21,883 General Fund and \$930,922 reappropriated funds from the Deferred Compensation Administration Fund and the Defined Contribution Plan Administration Fund) and 12.0 FTE. Staff notes that funding for FY 2008-09 contains \$21,883 General Fund and 0.5 FTE associated with H.B. 07-1335.

Summary of Personal Services Recommendation (2) Human Resource Services Division (B) Employee Benefits Section — Department of Personnel and Administration				
	Total	GF	RF	FTE
FY 2007-08 Appropriation	905,502	0	905,502	12.0
FY 2007-08 Salary Awards	18,898	0	18,898	
FY 2007-08 Performance Awards at 80%	6,522	0	6,522	
H.B. 07-1335	21,883	21,883	0	0.5
Total Recommendation	952,805	21,883	930,922	12.5

OPERATING EXPENSES

The Department is requesting an appropriation of \$122,725 (\$70,500 General Fund related to HB 07-1335 and \$52,225 reappropriated funds). **Staff recommends the Committee approve the department's request for operating expenses.**

UTILIZATION REVIEW

This appropriation supports the audits of benefits plans administered by the State to ensure that they are financial sound and accurate. The Department has requested a continuation level of funding for FY 2008-09.

Staff recommends the request for a continuation level of funding and an appropriation of \$40,000 reappropriated funds. 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 \$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 2008-09.

DEFERRED COMPENSATION ADMINISTRATION (TPA)

The department is requesting a continuation of the Deferred Compensation Administration (TPA) line for FY 2008-09. 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 2008-09 for \$682,000 reappropriated funds (Deferred Compensation Administration Fund). This recommendation follows the Committee's decision to add this line item during FY 2005-06 figure setting.

DEFINED CONTRIBUTION PLANS

The Department is requesting a continuation of appropriation for this line item for FY 2008-09 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 2008-09.

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 are supplementing 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 reallocates tobacco litigation settlement money currently allocated pursuant to S.B. 07-97 to supplement the state contribution to the medical and dental benefit plan premiums of all state employees to instead supplement the state contribution to the benefit plan premiums of lower-income state employees who have at least one dependent other than their spouse.

The Department is requesting to include \$1,500,000 (Supplemental State Contribution Fund) for this line item for informational purposes in the FY 2008-09 Long Bill. **Staff recommends the Committee approve the Department's request. However, staff recommends using more recent projections provided by JBC staff regarding Tobacco Settlement moneys that will flow into the Supplemental State Contribution Fund. Staff recommends showing an informational appropriation of \$1,739,729 cash funds. Staff notes that this number will most likely change**

as more update funding projections become available. Staff recommends the Committee allow staff to adjust the number when more updated projections are available.

INDIRECT COST RECOVERIES

The Department requests an appropriation of \$210,609 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	4.4	3.0	6.0	6.0
Insurance Specialist	0.8	3.0	0.0	0.0
Accounting	0.6	1.0	0.0	0.0
Support/Clerical	<u>2.2</u>	<u>2.0</u>	<u>3.0</u>	<u>3.0</u>
Total	8.0	9.0	9.0	9.0

PERSONAL SERVICES

The Department is requesting an appropriation of \$634,839 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 \$633,343 reappropriated funds and 9.0 FTE.** This recommendation is calculated consistent with Committee common policy.

Summary of Personal Services Recommendation (2) Human Resource Services Division (C) Risk Management — Department of Personnel and Administration		
	RF	FTE
FY 2007-08 Appropriation	605,973	9.0
FY 2007-08 Salary Survey	20,149	0.0
FY 2007-08 Performance Awards at 80 %	7,221	0.0

Summary of Personal Services Recommendation (2) Human Resource Services Division (C) Risk Management — Department of Personnel and Administration		
	RF	FTE
Total Recommendation	633,343	9.0
** The reappropriated funds are from various funds supporting the Risk Management program.		

OPERATING EXPENSES

The Department is requesting an appropriation of \$57,104 reappropriated funds (Risk Management Fund, Self-Insured Property Fund, and the State Employee Workers' Compensation Account). **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 2008-09 and further states that this line item should not require an appropriation again until FY 2011-12. **Staff recommends the Committee approve the Department's request to discontinue this line item in the Long Bill for FY 2008-09.**

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 four 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 2008-09, which represents a continuation level of hours from FY 2008-09. 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.

☐ *Statewide Budget Amendment #4 - Risk Management Services Funding Adjustments*

Request: This statewide budget amendment is for technical changes to the risk management program (property and liability) and the workers' compensation program for FY 2008-09. The request contains requested appropriations for statewide allocations. The analysis of any statewide allocations is pending Committee decisions on funding for personal services, operating expenses, indirect cost allocations, and legal services in the Risk Management Program and the Colorado State Employee Assistance Program.

This portion of the request is for premiums in the Liability Program, the Property Program, and the Workers' Compensation Program. The department requests this budget amendment for a variety of reasons. Reasons specific to the premiums for liability, property, and workers' compensation are:

Updated agency overhead. The Department is reallocating the costs for administering the Risk Management Program. It has provided information on what it believes the source of funding should be for the program. It bases this on total premiums for each program and applies the percentages to overhead (personal services, operating, centrally appropriated lines like salary survey and amortization equalization disbursement (AED)). For FY 2008-09 total program overhead is \$1,025,732 and the Department's request allocates the overhead as follows:

- Workers' Compensation - \$620,475 (60.5 percent);
- Liability - \$174,628 (17.0 percent); and
- Property - \$230,629 (22.5 percent).

2. **Modified reserve funding levels for the Workers' Compensation Account, the Risk Management Fund, and the Self-Insured Property Fund.** The Department is revising its methodology for determining appropriate reserve levels in these funds. During FY 2007-08 supplemental process, the Department recommended the following reserve level percentages:

- Workers' Compensation - 5 percent;
- Liability - 16.5 percent;
- Property - 16.5 percent (*6.5 percent increase*). **The Committee voted to cap the Property Program reserve for FY 2007-08 at 10 percent.**

The Department of Personnel and Administration is again recommending to increase the property program reserve from 10 percent to 16.5 percent. The following are the Department's requests for reserve levels for FY 2008-09:

- Workers' Compensation - 5 percent;
- Liability - 16.5 percent;
- Property - 16.5 percent (*6.5 percent increase*). **The Committee voted to cap the Property Program reserve for FY 2007-08 at 10 percent.**

Staff Analysis: Staff Recommends the following:

For liability premiums staff recommends a statewide premium of \$8,977,137 which is consistent with the department's request.

For property premiums staff recommends a statewide premium \$11,855,953 which is consistent with the department's request.

For worker's compensation premiums staff recommends a statewide premium of \$31,896,783 which is consistent with the department's request.

The Department's requested reserve funding levels are as follows:

Liability program at 16.5 percent

Property program at 16.5 percent

Workers' Compensation program at 5 percent

Staff recommends these reserve levels for the programs: (1) 16.5 percent for liability; (2) 10 percent for property; (3) 5 percent for workers' compensation. However, staff recommends that these levels be applied only to anticipated claims, not to total expenditures as the department is requesting.

Staff recommends this for the following reasons. Applying the reserve level to expenditures is not consistent with how the department calculates its reserves for self insured health and dental plans. Under that scenario, the department has calculated a 5.0 percent premium stabilization reserve on claims incurred, *not on expenses incurred*.

Additionally, staff believes that a reserve balance should only be calculated on claims as this component is the premium. Administrative fees and department administration do not belong in this calculation as they have no capacity to fluctuate above the level appropriated by the General Assembly. The department disagrees with this as it believes this view point is not consistent with the provisions of S.B. 98-194 which calculate reserve levels on expenditures.

Staff notes that these funds are not subject to the provisions of S.B. 98-194. Section 24-75-402 (5) (e), C.R.S., states that cash funds with reserve requirements based on actuarial requirements are exempted. Reserve balances for items such as personal services and operating expenses may be warranted for programs that bring in revenue seasonally, for example, but the Risk Management program and the Colorado State Employee Assistance Program have a dedicated source of revenue that does not fluctuate as revenues are appropriated in the Long Bill through agency allocations. Furthermore, the reserve level, or targeted reserve as defined in statute,

is a maximum reserve level not a minimum reserve level. For these reasons, staff's recommendation differs from the department's request.

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 2008-09. These funds represents transfers from non-state and other state agencies, respectively, that are deposited in the Risk Management Fund. **Staff recommends the Committee approve the Department's request for an appropriation of \$8,977,137 for liability premiums which is consistent with the staff recommendation for statewide budget amendment #3 described above.** This recommendation includes \$565,666 cash funds and \$7,779,880 cash funds exempt (Risk Management Fund). The cash and cash funds exempt revenue in the Risk Management Fund are transfers from non-state agencies and state agencies, respectively. Funds in the Risk Management Fund are continuously appropriated for purposes other than the direct and indirect administrative costs of operating the risk management system.

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 2008-09. The cash funds represent transfers from non-state and other state agencies, respectively, that are deposited in the Risk Management Fund. **Staff recommends the Committee approve an appropriation of \$11,855,953 for property premiums which is consistent with the staff recommendation for**

statewide budget amendment #4 described above. The revenue in the Self-Insured Property Fund are transfers from non-state agencies and state agencies, respectively. Funds in the Self-Insured Property Fund are continuously appropriated for purposes other than the direct and indirect administrative costs of operating the risk management system.

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 2008-09. The cash funds represent transfers from non-state and other state agencies, respectively, that are deposited in the Workers' Compensation Account. **Staff recommends the Committee approve an appropriation of \$31,896,783 for workers' compensation premiums.** Funds in the State Employees Workers' Compensation Account are specifically appropriated for all purposes.

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 \$205,237 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.

(3) PERSONNEL BOARD

This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. 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. The board processes approximately 300 cases per year. 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.

(3) State Personnel Board — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Director / General Professional	2.0	1.0	2.0	2.0
Administrative Law Judge	1.6	1.8	1.8	1.8
Legal Assistant	0.0	1.0	0.0	0.0
Support / Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	4.6	4.8	4.8	4.8

PERSONAL SERVICES

The department requests an appropriation of \$457,920 and 4.8 FTE. The request includes \$248,465 General Fund, \$1,196 cash funds (receipts received for copies of information and case documentation), and \$208,259 reappropriated funds (indirect cost recoveries and receipts received for copies of information and case documentation). In the last few years, the Personnel Board has experienced a significant fluctuation in cases.

Due to an increase in indirect costs to the Department of Personnel for FY 2008-09, the personnel board will be funded by a larger share of indirect costs.

Staff recommends the Committee approve an appropriation of \$456,945 and 4.8 FTE. The recommendation contains \$119,797 General Fund, \$1,196 cash funds (receipts collected for copies of information and case documentation), and \$335,952 reappropriated funds (from indirect cost recoveries from the Departments of Labor and Employment and State).

Summary of Personal Services Recommendation					
(3) State Personnel Board — Department of Personnel and Administration					
	Total	General Fund	Cash Funds	RF	FTE
FY 2007-08 Appropriation	437,357	227,902	1,196	208,259	4.8
FY 2007-08 Salary Survey	14,883	14,883	0	0	0.0
FY 2007-08 Performance Awards at 80 %	4,705	4,705	0	0	0.0
General Fund Refinance per Indirect Costs	<u>0</u>	<u>(127,693)</u>	<u>0</u>	<u>127,693</u>	<u>0.0</u>
Total Recommendation	456,945	119,797	1,196	335,952	4.8

OPERATING EXPENSES

The Department has requested an appropriation of \$29,033 (\$27,474 General Fund and \$1,559 reappropriated funds). **Staff recommends the Committee approve an appropriation of \$29,033 General Fund.** Staff has used all additional statewide indirect costs, lacking indirect costs, this division is General Funded.

(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.

(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.

(4) Central Services (A) Administration — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Director / Management	2.0	2.0	2.0	2.0
Accounting / Budgeting	2.6	3.0	3.0	3.0
General Professional	2.8	3.0	3.0	3.0
IT Professional	0.0	0.0	0.0	0.0
Support / Clerical	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	9.4	10.0	10.0	10.0

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 \$721,195 and 10.0 FTE for FY 2008-09.

Staff recommends the Committee approve an appropriation of \$719,816 reappropriated funds and 10.0 FTE. This recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation				
(4) Central Services, (A) Administration — Department of Personnel and Administration				
	Total	CF	RF	FTE
FY 2007-08 Appropriation	695,491	0	695,491	10.0
FY 2007-08 Salary Survey	17,670	0	17,670	0.0
FY 2007-08 Performance Awards at 80 %	6,655	0	6,655	0.0
Total Personal Services Recommendation	\$ 719,816	\$ 0	\$ 719,816	10.0

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 2007-08 appropriation. **Staff recommends the Committee approve an appropriation of \$77,427 for FY 2008-09.**

INDIRECT COST ASSESSMENT

The department requests an appropriation of \$52,406 reappropriated funds for this division's indirect cost assessment. **Staff recommends the Committee approve an appropriation of \$52,406 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.

(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.

(4) Central Services (B) Integrated Document Factory (1) Reprographics Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Production	13.6	15.0	15.0	15.0
Arts Professional	3.8	4.0	4.0	4.0
IT Technician	0.1	0.3	0.3	0.3
General Professional / Manager	1.0	1.3	1.3	1.3
Support / Clerical	3.3	4.0	4.0	4.0
Total	21.8	24.6	24.6	24.6

PERSONAL SERVICES

The department requests an appropriation of \$1,219,066 reappropriated funds and 24.6 FTE. The reappropriated funds 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 \$1,206,961 and 24.6 FTE. The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation				
(4) Central Services, (B) Integrated Document Factory, (1) Reprographics Services — Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2007-08 Appropriation	1,179,949	0	1,179,949	24.6
FY 2007-08 Salary Survey	27,915	0	27,915	0.0
FY 2007-08 Performance Awards at 80 %	11,289	0	11,289	0.0
Base Reduction (-1.0 Percent)	(12,192)	0	(12,192)	0.0
Total Personal Services Recommendation	\$ 1,206,961	\$ 0	\$ 1,206,961	24.6

OPERATING EXPENSES

The department is requesting a continuation appropriation of \$2,404,752 reappropriated funds. **Staff recommends the Committee approve the Department's request.**

INDIRECT COST ASSESSMENT

Staff recommends the Committee approve the Department request for \$169,705 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Production	8.4	9.0	9.0	9.0
Information Tech.	7.6	8.7	8.7	8.7
General Professional/ Management	1.0	0.0	0.0	0.0
Data Entry	28.6	41.3	41.3	41.3
Support /Clerical	1.1	1.0	1.0	1.0
Total	46.7	60.0	60.0	60.0

PERSONAL SERVICES

The department is requesting \$2,839,463 reappropriated funds and 60 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.) The Department's request includes \$2,698,675 continuation personal services appropriation as well as \$140,788 for Supplemental #1/Budget Amendment #1.

- ❑ **Supplemental #1/Budget Amendment #1** - the Department requests continuation spending authority of \$140,788 for Department of Regulatory Agencies and Department of Law FY 2007-08 decision items.

Staff does not recommend the department request for \$140,788. Staff notes that according to the narratives of the two decision items, the funding requests were one-time funding requests with no out year impact. The staff recommendation is presented in the table below.

Summary of <u>Personal Services</u> Recommendation				
(4) Central Services, (B) Integrated Document Factory, (2) DSG , Personal Services— Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2007-08 Appropriation	2,628,267	0	2,628,267	60.0
HB 08-1295 (Supp. #1, Technical)	140,788	0	140,788	0.0
HB 08-1295 (Supp. #3, CBI Grant Spend)	274,560	0	274,560	0.0
FY 2007-08 Salary Survey	51,406	0	51,406	0.0
FY 2007-08 Performance Awards at 80 %	20,203	0	20,203	0.0
Base Reduction (-1.0 Percent)	(31,152)	0	(31,152)	0.0
HB 08-1295 (Remove one-time Supp.#1,#3)	(415,348)	0	(415,348)	0.0
Total Personal Services Recommendation	\$ 2,668,724	\$ 0	\$ 2,668,724	60.0

OPERATING EXPENSES

The department requests an appropriation of \$404,846 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 \$404,846 reappropriated funds.

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 an appropriation of \$69,000 including \$58,800 continuation appropriation and \$10,200 associated with out year costs of the leased space expansion.

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 \$136,708 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 \$136,708, 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.

(4) Central Services (B) Integrated Document Factory (3) Mail Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Equipment Operator	12.0	13.0	13.0	13.0
Arts Technician	0.0	0.2	0.2	0.2
Manager	2.5	2.5	2.5	2.5
General Professional	0.5	0.5	0.5	0.5
Electrical Trades	0.0	1.0	1.0	1.0
Production	2.0	2.4	2.4	2.4
Support /Clerical	15.4	16.4	16.4	16.4
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	32.4	36.0	36.0	36.0

PERSONAL SERVICES

The department requests \$1,266,023 reappropriated funds and 36.0 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.).

Staff recommends the Committee approve \$1,253,725 reappropriated funds and 36.0 FTE as calculated in the table below.

Summary of Personal Services Recommendation				
(4) Central Services, (B) Integrated Document Factory, (3) Mail Services — Department of Personnel and Administration				
	Total	CF	RF	FTE
FY 2007-08 Appropriation	1,230,252	0	1,230,252	36.0
FY 2007-08 Salary Survey	25,655	0	25,655	0.0
FY 2007-08 Performance Awards at 80 %	10,482	0	10,482	0.0
Base Reduction (-1.0 Percent)	(12,664)	0	(12,664)	0.0
Total Personal Services Recommendation	\$ 1,253,725	\$ 0	\$ 1,253,725	36.0

OPERATING EXPENSES

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

- 1). \$6,788,394 continuation spending request,
- 2). \$1,266,756 for a **non-prioritized budget amendment #2: CDLE Unemployment Insurance Mail Reimbursements** to account for the elimination of direct federal billing of postage and a new allocation method to provide postage funding to each state. As a result of this change in reimbursement methodology, the Department of Labor and Employment will begin to use Mail Services to process its postage,
- 3). \$110,950 reduction to account for the second year impact of a FY 2007-08 decision item #2: IDF Realignment.

Staff recommends the Committee approve the department's request for operating expenses in FY 2008-09 in the amount of \$7,944,200reappropriated funds.

INDIRECT COST ASSESSMENT

The Department is requesting an appropriation of \$237,215 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 June 2007, the state's fleet had 5,457 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.

(4) Central Services (C) Fleet Management Program and Motor Pool Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	1.0	1.3	2.0	1.0
Information Technology	2.1	2.0	2.0	2.0
Customer Support	2.1	3.0	3.0	3.0
Equipment Mech.	2.4	3.0	3.0	3.0
Accounting / Support / Clerical	7.3	7.0	7.0	7.0
Total	14.9	16.3	17.0	16.0

PERSONAL SERVICES

The department is requesting \$883,489 reappropriated funds and 17.0 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.).

- ❑ **Supplemental #6 / Budget Amendment #4 - Green Fleet Coordinator.** The Department requests \$52,323 and 1.0 FTE for FY 2007-08 to perform the duties of a "Green Fleet Coordinator." Staff notes that the Committee approved a supplemental appropriation for 0.3 FTE and \$12,481 for FY 2007-08. 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 a greener fleet.

Staff analysis:

Staff notes that the Department and the Executive have not been forthcoming with information regarding meeting the specific goals of the Executive Orders nor with any estimates of potential increase in workload or costs for various agencies as a result of the greening initiatives. The

Department has not substantiated the need for this FTE. Staff notes that Executive Order D 0012 07 directed DPA to conduct a Transportation Efficiency Audit, to be completed by December 1, 2007, and make recommendations regarding various green fleet aspects. Staff has not been provided with any information regarding the recommendations of this audit. Staff does not feel that there has been enough analysis or discussion about this issue and any potential additional workload in order to analyze appropriately the need for a green fleet coordinator within the Department.

Staff recommends the Committee not approve the Department's request for green fleet coordinator FTE. 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 \$829,515 and 16 FTE.

Summary of Personal Services Recommendation			
(4) Central Services, (C) Fleet Management Program and Motor Pool Services — Department of Personnel			
	Total	RF	FTE
FY 2007-08 Appropriation	799,562	799,562	16.0
HB 08-1295 (Supp. #6, Green Fleet Coord.)	12,481	12,481	0.3
FY 2007-08 Salary Survey	21,984	21,984	0.0
FY 2007-08 Performance Awards at 80 %	7,969	7,969	0.0
Staff Initiated Reduction - Green Fleet Coord.	<u>(12,481)</u>	<u>(12,481)</u>	<u>(0.3)</u>
Total Personal Services Recommendation	\$ 829,515	\$ 829,515	16.0

OPERATING EXPENSES

The two tables below portray the initial JBC FY 2008 figure setting action for this line item, as well as the JBC FY 2008 supplemental action. The tables show that fuel and vehicle maintenance expenditures increased by approximately \$2.2 million between figure setting and supplemental.

The Department requests a continuation appropriation of the FY 2008 supplemental amount of \$20,918,340. In addition, the Department requests \$950 in operating expenses related to **Budget Amendment #4: Green Fleet Coordinator**, as well as a negative \$240,907 related to a **January 23, 2008, non-prioritized budget amendment #2 (CDOT-BA-1: Multi-Agency Fleet Vehicle Maintenance)**.

Staff does not recommend the Committee approve the Department's request for Budget Amendment #4 and non-prioritized budget amendment #2 (the Committee voted to not approve the CDOT budget amendment).

Staff recommends an appropriation of \$20,918,340 reappropriated funds for the operating expenses line.

FY 2008 JBC Figure Setting Action - Fleet Operating Expenses	
FY 2006-07 Long Bill Appropriation	18,139,386
Fuel Expenditure	9,252,941
Maintenance Expenditure	6,578,000
Accident Expenditure	750,750
Auction	115,000
Other Operating	174,000
S.B. 06 - 15 Additional Vehicles	<u>1,645,000</u>
TOTAL Estimated Expense	18,515,691
Difference	376,305

FY 2008 JBC Supplemental Action- Fleet Operating Expenses	
FY 2007-08 Long Bill Appropriation	18,515,691
Fuel Expenditure	12,120,777
Maintenance Expenditure	7,560,363
Accident Expenditure	895,200
Auction	115,000
Other Operating	227,000
TOTAL Estimated Expense	20,918,340
Difference	2,402,649

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 department requests \$14,062,983 reappropriated funds. **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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional / Manager	3.7	3.0	3.0	3.0
Accounting	1.0	1.0	1.0	1.0
Architect	2.0	2.0	2.0	2.0
Custodian	12.2	13.0	13.0	13.0
Electrician	3.0	3.0	3.0	3.0
Structural / Pipe Trades / Material	16.2	18.2	20.2	18.2
Grounds and Nursery	4.2	5.0	5.0	5.0
Support / Clerical	7.5	8.0	8.0	8.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	49.8	53.2	55.2	53.2

PERSONAL SERVICES

- ❑ **Decision Item # 3: Capitol Complex Facilities Consolidation.** The Department is requesting that the Grand Junction State Services Building and the Camp George West Personal Services and Operating lines be merged into the Capitol Complex Facilities Personal Services and Operating lines in order to allow the program flexibility to manage the three programs more effectively. The Department is requesting that the Utilities lines not be merged.

Summary of <u>Decision Item #3: Capitol Complex Facilities Consolidation</u> Personal Services Component			
	Total	RF	FTE
Cap. Complex Facilities - Personal Services	2,694,191	2,694,191	53.2
Grand Jct. State Svcs. Bldg. - Personal Services	47,109	47,109	1.0
Camp George West - Personal Services	66,338	66,338	1.0
Total DI #3 Cap. Complex Facilities Request	\$ 2,807,638	\$ 2,807,638	55.2

Department justification of request.

The Department states that it is requesting the merger of these lines because of inherent unpredictability of facilities maintenance needs and the fact that consolidating the lines will allow the department the flexibility to meet maintenance and improvement issues as they arise.

Staff recommendation:

Staff has concerns related to cross-subsidization of functions. The Capitol Complex Leased Space line funding methodology attempts to charge users for the services they use. Staff has concerns with capitol complex users inadvertently being forced to subsidize Grand Junction or Camp George West repairs and vice versa.

In addition, the appropriation for these lines is set during figure setting, but the department submits a supplemental every year allowing for mid-year billing adjustments to account for unexpected maintenance/repair needs that may arise after the long bill has been set.

Staff feels that leaving the lines and the funding streams separate will allow for better allocation of costs and fewer instances of cross-subsidization.

Staff does not recommend the Department's request related to merging the Capitol Complex, Grand Junction State Services Building, and Camp George West Personal Services and Operating lines.

Staff recommends the Committee approve an appropriation of \$2,667,077 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 Personal Services Recommendation (4) Central Services, (D) Facilities Maintenance and Planning, (1) Capitol Complex Facilities — Department of Personnel and Administration			
	Total	RF	FTE
FY 2007-08 Appropriation	2,601,617	2,601,617	53.2
FY 2007-08 Salary Survey	65,637	65,637	0.0
FY 2007-08 Performance Awards at 80 %	26,763	26,763	0.0
Base Reduction (-1.0 Percent)	(26,940)	(26,940)	0.0
Total Personal Services Recommendation	\$ 2,667,077	\$ 2,667,077	53.2

OPERATING EXPENSES

This line item provides operating funds for the Capitol Complex facilities. The department has requested \$1,921,441 reappropriated funds, related to **Decision Item #3** described above (\$76,873 and \$122,102) as well as a **Statewide Budget Amendment #2** to transfer \$85,000 from the utilities line into the operating line.

Staff does not recommend the Department's request related to Decision Item #3 based on the analysis provided for the Personal Services line.

Regarding **Statewide Budget Amendment #2**, the Department explains that it is currently expending \$85,000 out of the utilities line to purchase items such as filters, chemicals, light bulbs/fixtures, etc. that are directly associated with the State's energy performance contract for Capitol Complex Facilities. The Department states that these are expenditures that the Department is already incurring from the utilities line, but such expenditures are more appropriate to reside within the operating line. Staff notes that the Department has reverted \$218,000 in FY 2006 and \$176,000 in FY 2007 out of the utilities line.

Staff recommends the Committee approve the department's request related to Statewide Budget Amendment # 2 to transfer \$85,000 from the Utilities line to the Operating line in order to be able to expend for routine supplies and replacements. Staff recommends a total appropriation of 1,722,466.

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 \$289,484 reappropriated funds for FY 2008-09. **Staff's recommendation is pending for this line item.** Since the Department of Public Safety is responsible for providing the security, staff feels that the appropriation in the Department of Personnel and Administration should match the needs of 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 2008-09 fiscal impact of the bill.**

UTILITIES

The Department requests with **Statewide Budget Amendment #2** to transfer \$85,000 from the utilities line into the operating line. The merits of this budget amendment were discussed in the Operating line above. With the impact of Statewide Budget Amendment #2, the department requests \$3,657,802 reappropriated funds (transfers from other state agencies into the Department of Personnel Revolving Fund).

Staff recommends the Committee approve the Department's request of \$3,657,802 for FY 2008-09.

INDIRECT COST ASSESSMENT

The Department is requesting an appropriation of \$273,929 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 2007-08. 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Pipe/Mech. Trades	<u>1.0</u>	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>
Total	1.0	1.1	1.0	1.0

PERSONAL SERVICES

The department requests no appropriation for this line item for FY 2008-09 pursuant to **Decision Item #3: Capitol Complex Facilities Consolidation. Staff does not recommend this decision item.** Staff recommends the Committee approve \$47,003 and 1.0 FTE. The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation (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 2007-08 Appropriation	45,336	0	45,336	1.0
FY 2007-08 Salary Survey	1,154	0	1,154	0.0
FY 2007-08 Performance Awards at 80 %	513	0	513	0.0
Total Personal Services Recommendation	\$ 47,003	\$ 0	\$ 47,003	1.0

OPERATING EXPENSES

The department requests no appropriation for this line item for FY 2008-09 pursuant to **Decision Item #3: Capitol Complex Facilities Consolidation. Staff does not recommend this decision item. Staff recommends the Committee approve \$76,873 reappropriated funds for operating expenses in FY 2008-09.**

UTILITIES

This appropriation supports utilities costs at the State Services Building in Grand Junction, Colorado. The department requests \$87,554 for FY 2008-09. **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 2007-08. 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	0.1	0.1	0.1	0.1
Grounds/Nursery	0.2	0.2	0.2	0.2
LTC Operator	0.1	0.2	0.2	0.2
Structural Trades	0.1	0.0	0.0	0.0
Pipe/Mech Trades	<u>0.6</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total	1.1	1.0	1.0	1.0

PERSONAL SERVICES

The department requests no appropriation for this line item for FY 2008-09 pursuant to **Decision Item #3: Capitol Complex Facilities Consolidation. Staff does not recommend this decision item.** Staff recommends the Committee approve \$66,232 and 1.0 FTE. The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation (4) Central Services, (D) Facilities Maintenance and Planning, (3) Camp George West — Department of Personnel and Administration				
	Total	Cash Funds	RF	FTE
FY 2007-08 Appropriation	64,565	0	64,565	1.0
FY 2007-08 Salary Survey	1,154	0	1,154	0.0
FY 2007-08 Performance Awards at 80 %	513	0	513	0.0
Total Personal Services Recommendation	\$ 66,232	\$ 0	\$ 66,232	1.0

OPERATING EXPENSES

The department requests no appropriation for this line item for FY 2008-09 pursuant to **Decision Item #3: Capitol Complex Facilities Consolidation. Staff does not recommend this decision item. Staff recommends the Committee approve \$122,102 reappropriated funds for operating expenses in FY 2008-09.**

UTILITIES

This appropriation supports utilities costs at Camp George West, located in Golden. The department requests \$434,350 for FY 2008-09. **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.

(A) STATE CONTROLLER'S OFFICE AND PROCUREMENT SERVICES

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.

(5) Finance and Procurement Division (A) State Controller's Office and Procurement Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
State Controller	1.0	1.0	1.0	1.0
Auditing	1.5	1.0	1.0	1.0
Accounting/ Controllers	22.0	21.0	22.0	22.0
General Professional/ Management	11.9	11.5	11.5	11.5
Information Tech.	0.1	0.0	0.0	0.0
Support / Clerical	2.7	1.0	1.0	1.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	39.2	35.5	36.5	36.5

FY 2007-08 Funding

The division is funded primarily from cash funds and reappropriated funds, though prior to FY 2003-04, it was primarily a General Fund agency. Now, there are various sources of cash funds and

reappropriated used to offset the need for a General Fund appropriation. Some of these sources are one-time and others will fluctuate from year to year depending on actions taken in other departments. In FY 2007-08, there were no additional statewide indirect costs used to offset General Fund in the State Controller's Office, so the two funding sources were rebates from the procurement card program and General Fund.

PERSONAL SERVICES

Staff recommends the Committee approve \$3,117,078 including \$1,261,860 General Fund and \$1,855,218 cash funds.

Summary of Personal Services Recommendation (5) Finance and Procurement Division (A) State Controller's Office and Procurement Services — Department of Personnel and Administration					
	Total	General Fund	CF	RF	FTE
FY 2007-08 Appropriation	2,961,203	710,689	2,250,514	0	35.5
S.B. 07-228 Contract Monitoring	50,913	50,913	0	0	1.0
H.B. 08-1295 FY 2008 Supplemental	0	395,296	(395,296)	0	0.0
FY 2007-08 Salary Survey	87,392	87,392	0	0	0.0
FY 2007-08 Performance Awards at 80 %	31,913	31,913	0	0	0.0
Base Reduction (-1.0 Percent)	(31,314)	(12,762)	(18,552)	0	0.0
S.B. 07-228 (FY 09 impact)	16,971	16,971	0	0	0.0
Fund Mix Adjustment	0	(18,552)	18,552	0	0.0
Total Recommendation	3,117,078	1,261,860	1,855,218	0	36.5

OPERATING EXPENSES

The Department is requesting an appropriation of \$142,676 General Fund. **Staff recommends that the Committee approve an appropriation of \$142,676 General Fund.** Staff notes that for FY 2007-08, SB 07-228 added \$3,380 General Fund of operating expenses. For FY 2008-09 the SB 07-228 amount is \$500 General Fund.

(B) 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 Present	\$30
* 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) Finance and Procurement Division (B) Supplier Database — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional/ Management	0.7	0.9	0.9	0.9
Support / Clerical	1.0	1.0	1.0	1.0
IT Professional	1.0	1.1	1.1	1.1
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	2.7	3.0	3.0	3.0

PERSONAL SERVICES

The Department is requesting an appropriation of \$191,037 cash funds (Supplier Database Cash Fund) and 3.0 FTE. This represents a continuation level of funding from FY 2007-08. **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.

Summary of Personal Services Recommendation (5) Finance and Procurement Division (B) Supplier Database — Department of Personnel and Administration		
	Cash Funds	FTE
FY 2007-08 Appropriation	182,337	3.0
FY 2007-08 Salary Survey	6,060	0.0
FY 2007-08 Performance Awards at 80 %	2,187	0.0
Total Recommendation	190,584	3.0
* 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 2007-08. **Staff recommends the Committee approve an appropriation of \$43,382 cash funds (Supplier Database Cash Fund) for FY 2008-09.**

(C) 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.

(5) Finance and Procurement Division (C) Collection Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Accounting	3.0	3.0	3.0	3.0
General Professional	2.1	3.0	3.0	3.0
Collections Rep	5.5	9.0	9.0	9.0
Information Tech.	1.0	1.0	1.0	1.0
Support/Clerical	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
Total	15.6	20.0	20.0	20.0

PERSONAL SERVICES

The Department has requested \$903,004 of which \$596,614 is cash funds and \$306,390 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 \$894,144 and 20.0 FTE for Collections Services. Of this amount, staff recommends the Committee fund \$596,614 from cash fund sources and \$297,530 from reappropriated funds.**

Summary of Personal Services Recommendation (5) Finance and Procurement Division (C) Collections Services, Personal Services — Department of Personnel and Administration				
	Total	CF	RF	FTE
FY 2007-08 Appropriation	874,777	128,536	746,241	20.0
FY 2007-08 Salary Survey	20,488	20,488	0	0.0
FY 2007-08 Performance Awards at 80 %	7,910	7,910	0	0.0
Base Reduction (-1.0 Percent)	(9,031)	(1,569)	(7,462)	0.0
Fund Mix Adjustment	0	441,249	(441,249)	0.0
Total Recommendation	894,144	596,614	297,530	20.0

OPERATING EXPENSES

This line item provides operating funds for the state-operated collections agency. The department has requested funding of \$349,085 (includes \$9,015 out year impact of FY 2008 DI #4 Collector Staff). **Staff recommends the Committee fund the Departments request for \$349,085 for Operating Expenses in FY 2008-09.**

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 2008-09. **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 \$260,606 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

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. 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 that do not have the. It also provides the same services for lease review.

(5) Finance and Procurement Division (D) Real Estate Services Program — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional/ Manager	2.6	2.0	2.0	2.0
Architect/Engineer	2.0	2.0	2.0	2.0
Support/Clerical	1.0	2.0	2.0	2.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	5.6	6.0	6.0	6.0

PROGRAM FUNDING

The department is requesting an appropriation of \$534,146 for this program, including \$483,402 and 6.0 FTE associated with personal services, \$50,744 associated with operating expenses. **Staff recommends the Committee fund this line item at \$533,168 General Fund and 6.0 FTE.**

Summary of Personal Services Recommendation (5) Finance and Procurement Division (D) Real Estate Services Program — Department of Personnel and Administration				
	Total	GF	RF	FTE
FY 2007-08 Appropriation	514,170	514,170	0	6.0
Take out operating expense	(65,372)	(65,372)	0	0.0
FY 2007-08 Salary Survey	14,278	14,278	0	0.0
FY 2007-08 Performance Awards at 80 %	4,720	4,720	0	0.0
Add back operating expense	65,372	65,372	0	0.0
Total Recommendation	533,168	533,168	0	6.0

(6) DIVISION OF INFORMATION TECHNOLOGY

This division is responsible for the state's computer center, telecommunications networks (which include public safety, voice, data, and video systems), and it supports all software applications that are used on a statewide basis for financial and human resources purposes. It also manages the State's archival and historical records, and operates Colorado's home page on the Internet.

(A) ADMINISTRATION

This program coordinates the division's administrative functions, including budgeting, accounting, rate setting, and human resources. It is responsible for daily administrative functions for division management and staff. This unit was established in the Long Bill during a FY 2002-03 department reorganization.

(6) Division of Information Technology (A) Administration — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Management	1.0	1.0	1.0	1.0
General Professional	1.5	1.5	1.5	1.5
IT Professional	1.0	1.0	1.0	1.0
Support/Clerical	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total	6.0	6.0	6.0	6.0

PERSONAL SERVICES

The department is requesting an appropriation of \$420,851 reappropriated funds and 6.0 FTE. **Staff recommends the Committee approve \$419,800 and 6.0 FTE.** Staff's recommendation is calculated pursuant to Committee common policy and is summarized below.

Summary of <u>Personal Services</u> Recommendation			
(6) Division of Information Technology, (A) Administration — Department of Personnel and Administration			
	Total	RF	FTE
FY 2007-08 Appropriation	400,483	400,483	6.0
FY 2007-08 Salary Survey	14,244	14,244	0.0
FY 2007-08 Performance Awards at 80 %	<u>5,073</u>	<u>5,073</u>	<u>0.0</u>
Total Personal Services Recommendation	\$ 419,800	\$ 419,800	6.0

OPERATING EXPENSES

The Department is requesting an appropriation of \$6,450 reappropriated funds for this line item. The department's recommendation represents a continuation of the FY 2007-08 appropriation. **Staff**

recommends the Committee approve a continuation appropriation of \$6,450 reappropriated funds (user fees from state agencies).

(B) CUSTOMER SERVICES

This program offers help to the customers of the division's programs including MNT and GGCC, and telecommunications systems. Duties include data center scheduling, network monitoring and providing tier 1 assistance for desktops in the data center. The program is staffed to provide coverage 24 hours a day. After hours support is for the Department of Transportation and the Department of Natural Resources. Scheduling ensures job requests are properly queued into the system.

(6) Division of Information Technology (B) Customer Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Customer Support	10.0	10.0	10.0	10.0
General Professional	1.0	1.0	1.0	1.0
IT Professional	1.0	1.0	1.0	1.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	12.0	12.0	12.0	12.0

PERSONAL SERVICES

The department is requesting a continuation of its FY 2007-08 appropriation, which amounts to \$919,690 reappropriated funds and 12.0 FTE. **Staff recommends the Committee approve an appropriation of \$917,727 reappropriated funds and 12.0 FTE.** The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation			
(6) Division of Information Technology, (B) Customer Services — Department of Personnel and Administration			
	Total	RF	FTE
FY 2007-08 Appropriation	888,231	888,231	12.0
FY 2007-08 Salary Survey	20,222	20,222	0.0
FY 2007-08 Performance Awards at 80 %	9,274	9,274	0.0
Total Personal Services Recommendation	\$ 917,727	\$ 917,727	12.0

OPERATING EXPENSES

The Department is requesting \$14,625 reappropriated funds for operating expenses in FY 2008-09. The request represents a continuation level of appropriation. **Staff recommends the Committee**

approve a continuation appropriation of \$14,625 reappropriated funds (user fees from state agencies).

(C) ORDER BILLING

This program manages orders and changes to telecommunications and MNT billings. The orders include new and change orders to MNT and the state's telephone systems (voice mail, long distance, and local service).

(6) Division of Information Technology (C) Order Billing — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Customer Support	1.1	1.0	1.0	1.0
General Professional	0.3	1.0	1.0	1.0
Accounting	4.0	2.0	2.0	2.0
IT Professional	3.8	3.0	3.0	3.0
Support/Clerical	<u>0.2</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	9.4	10.0	10.0	10.0

PERSONAL SERVICES

The department is requesting a continuation of its FY 2007-08 appropriation, which amounts to \$664,114 reappropriated funds and 10.0 FTE. **Staff recommends the Committee approve \$662,877 and 10.0 FTE.** The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation			
(6) Division of Information Technology, (C) Order Billing — Department of Personnel and Administration			
	Total	RF	FTE
FY 2007-08 Appropriation	641,024	641,024	10.0
FY 2007-08 Salary Survey	15,883	15,883	0.0
FY 2007-08 Performance Pay Awards at 80 %	<u>5,970</u>	<u>5,970</u>	<u>0.0</u>
Total Personal Services Recommendation	\$ 662,877	\$ 662,877	10.0

OPERATING EXPENSES

The Department is requesting an appropriation for this line item of \$10,750 reappropriated funds (user fees from state agencies), which represents a continuation of the FY 2007-08 appropriation. **Staff recommends the Committee approve a continuation appropriation of \$10,750 reappropriated funds (user fees from state agencies).**

(D) COMMUNICATIONS SERVICES

This section is statutorily responsible for the Statewide Public Safety Network and is in the process of completing the Digital Thunked Radio Project. It plans, coordinates, and integrates the public safety networks for the Departments of Public Safety, Transportation, Corrections, and Natural Resources. Local agencies also use this network. These networks operate through land-based, mobile, and microwave technology.

(6) Division of Information Technology (D) Communications Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Engineers	11.5	8.0	8.0	8.0
Electronics Specialists	26.5	31.0	31.0	31.0
IT Technician	2.9	4.0	4.0	4.0
Support/Clerical	2.5	2.0	2.0	2.0
Budget / Policy Analyst	1.1	1.0	1.0	1.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	44.5	46.0	46.0	46.0

PERSONAL SERVICES

The Department is requesting funding of \$3,603,291 (\$448,350 cash funds, and \$3,154,941 reappropriated funds from various sources) and 46.0 FTE. The reappropriated funds represent, in part, unexpended moneys in the Emergency Medical Services Account within the Highway Users Tax Fund that are not distributed pursuant to Section 25-3.5-603(3)(c)(I), C.R.S., and include transfers from other state agencies and the reserve balance of the Public Safety Communications Trust Fund. The request is a continuation of the FY 2007-08 appropriation. **Staff recommends the Committee approve an appropriation of \$3,567,121 and 46.0 FTE.** The staff recommendation is calculated pursuant to Committee common policy.

Summary of Personal Services Recommendation (6) Division of Information Technology (D) Communication Services — Department of Personnel and Administration					
	Total	GF	CF	RF	FTE
FY 2007-08 Appropriation	3,461,830	0	0	3,461,830	46.0
FY 2007-08 Salary Survey	105,803	0	0	105,803	0.0
FY 2007-08 Performance Awards at 80 %	35,520	0	0	35,520	0.0
Base Reduction (-1.0 Percent)	(36,032)	0	0	(36,032)	0.0
Total Personal Services Recommendation	\$ 3,567,121	\$ 0	\$ 0	\$3,567,121	46.0

OPERATING EXPENSES

This line item provides operating funds for the State's communication centers and microwave towers located throughout Colorado. The Department is requesting funding of \$134,631 reappropriated funds (transfers from other state agencies). **Staff recommends the Committee approve an appropriation of \$134,631 reappropriated funds.**

TRAINING

This line item is responsible for the on-going training of telecommunications staff and to comply with OSHA regulations. This line item was approved by the Committee in FY 2001-02 and has three more subsequent years of follow-up training. The training involves winter survival training and Snow-Cat maintenance. The department is requesting \$22,000 reappropriated funds (reserve balance of the Public Safety Communications Trust Fund). **Staff recommends the Committee approve funding this line item for \$22,000 reappropriated funds (Public Safety Communications Trust Fund) for FY 2008-09.**

UTILITIES

This appropriation supports utilities and generators at telecommunication sites located throughout Colorado. The department has requested \$165,002 reappropriated funds. **Staff recommends the Committee approve the request of \$165,002 reappropriated funds.**

SNOWCAT REPLACEMENT

The Department's request is to continue replacing its fleet of Snowcats, this will be the fourth year of replacing two Snowcats per year. So far, the Department has replaced four of the oldest machines, the two oldest machines were over forty years old when replaced. The Department has a fleet of 10 Snowcats, the "youngest" of which is 14 years old. **Staff recommends the Committee appropriate \$230,520 reappropriated funds.**

LOCAL SYSTEMS DEVELOPMENT

This appropriation supports local governments, state agencies, and the Federal Government for access to microwave communication towers. The department has requested a continuation level of funding of \$121,000 federal funds. The federal funds are anticipated to be received from the National Oceanic and Atmospheric Administration (NOAA) for use of these towers. **Staff recommends the Committee approve funding for \$121,000 federal funds.**

INDIRECT COST ASSESSMENT

The department requests an appropriation of \$474,771 for indirect cost assessments associated with the Communications Services Program in FY 2008-09. **Staff recommends the Committee approve the department's request, which is consistent with Committee common policy and with the Statewide Indirect Cost Allocation Plan.**

(E) NETWORK SERVICES

This section plans, coordinates, and integrates the telecommunication capabilities of State government. It provides voice and data communication infrastructure, and provides a long-distance telephone contract to be used by all other State agencies.

(6) Division of Information Technology (E) Network Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
IT Professionals	11.9	12.0	12.0	12.0
Budget / Policy Analyst	1.5	1.0	1.0	1.0
General Professional	0.6	0.0	0.0	0.0
Electronics Professionals	2.5	4.0	4.0	4.0
Total	16.5	17.0	17.0	17.0

PERSONAL SERVICES

The Department is requesting a continuation appropriation of \$1,528,193 reappropriated funds and 17.0 FTE. **Staff recommends that the Committee approve an appropriation of \$1,525,435 reappropriated funds. Staff recommends the Committee appropriate 17.0 FTE for Network Services in FY 2008-09.**

Summary of Personal Services Recommendation					
(6) Division of Information Technology					
(E) Network Services — Department of Personnel and Administration					
	Total	CF	RF	FTE	
FY 2007-08 Appropriation	1,468,158	0	1,468,158	17.0	
FY 2007-08 Salary Survey	42,523	0	42,523	0.0	
FY 2007-08 Performance Awards at 80 %	14,754	0	14,754	0.0	
Total Personal Services Recommendation	\$ 1,525,435	\$ 0	\$ 1,525,435	17.0	

OPERATING EXPENSES

This line item provides operating funds for the network services of the state's telecommunications services. The department requests \$16,200,371 (\$1,864,215 cash funds and \$14,336,156 reappropriated funds). **Staff recommends the Committee approve an appropriation of \$16,200,371, including \$1,200,000 cash funds and \$15,000,371 reappropriated funds.**

TOLL-FREE TELEPHONE ACCESS TO MEMBERS OF THE GENERAL ASSEMBLY

This appropriation supports toll-free access by private citizens outside the metropolitan area to the General Assembly. The Department has requested a continuation level of funding. These are

General Fund dollars that are transferred from the Legislative Department. **Staff recommends that the Committee approve a continuation appropriation of \$25,000 reappropriated funds transfer from the Legislative Department.**

INDIRECT COST ASSESSMENT

The Department's request for indirect costs in FY 2008-09 is \$202,616, which is consistent with the Statewide Indirect Cost Allocation Plan. **Staff recommends the Committee approve the Department's request for indirect costs.**

(F) COMPUTER SERVICES

This section plans, manages, operates, and delivers the computing infrastructure for all State agencies. This includes database servers for several departments as well as the mainframe computer, tape, disk, and printing resources used by all State agencies.

(6) Division of Information Technology (F) Computer Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
IT Professional	23.9	24.3	24.3	24.3
Trainer	0.6	1.0	1.0	1.0
Computer Operator	13.8	14.5	14.5	14.5
Materials Handler	1.0	1.0	1.0	1.0
Staff Initiated Reduction	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	39.3	40.8	40.8	40.8

PERSONAL SERVICES

The Department has requested funding of \$2,774,478 (Computer Services Revolving Fund) and 40.8FTE. The cash funds are from fees charged to non-state agencies and the reappropriated funds are from fees charged to other state agencies. **Staff recommends that the Committee approve a continuation appropriation for the Department of \$2,745,773, (\$2328 cash funds and \$2,743,445 reappropriated funds) and 40.8 FTE.** The staff recommendation is calculated pursuant to Committee common policy.

**Summary of Personal Services Recommendation
(6) Division of Information Technology
(F) Computer Services — Department of Personnel and Administration**

	Total	Cash Funds	RF	FTE
FY 2007-08 Appropriation	2,655,746	2,328	2,653,418	40.8
FY 2007-08 Salary Survey	86,504	0	86,504	0.0
FY 2007-08 Performance Awards at 80 %	31,258	0	31,258	0.0
Base Reduction (-1.0 Percent)	(27,735)	(23)	(27,712)	0.0
Fund Mix Adjustment	0	23	(23)	0.0
Total Personal Services Recommendation	\$ 2,745,773	\$ 2,328	\$2,743,445	40.8

The staff recommendation includes \$2,328 cash funds and \$2,743,445 reappropriated funds. Cash funds originate as user fees from non-state agencies and reappropriated funds originate as user fees from other state agencies that are transferred into the Computer Services Revolving Fund.

OPERATING EXPENSES

This line item provides operating funds for computer services, also known as the General Government Computer Center (GGCC). The Department is requesting \$6,181,350 reappropriated funds for FY 2008-09. **Staff recommends the Committee approve a continuation operating expense line item in the amount of \$6,181,350 cash funds exempt.**

RENTAL, LEASE, OR LEASE/PURCHASE OF CENTRAL PROCESSING UNIT

This appropriation supports the mainframe located at 690 Kipling Street in Lakewood, Colorado. The Department has requested a continuation level of funding of \$336,034 reappropriated funds. The funds are transfer payments received from other State agencies. **Staff recommends the Committee approve an appropriation of \$336,034.**

INDIRECT COST ASSESSMENT

The Department is requesting an appropriation of \$678,807 reappropriated funds as a part of the statewide indirect cost recovery plan. **Staff recommends the Committee approve this request, which is consistent with the Committee common policy regarding statewide indirect cost recoveries.**

(G) INFORMATION AND ARCHIVAL SERVICES

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.

(6) Division of Information Technology (G) Information and Archival Services — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	3.0	2.0	2.0	2.0
Archivist	4.0	6.0	6.0	6.0
Support/Clerical	1.0	1.0	1.0	1.0
Total	8.0	9.0	9.0	9.0

PERSONAL SERVICES

The Department is requesting \$541,483 (\$436,771 General Fund, \$93,811 cash funds, and \$10,901 reappropriated funds) and 9.0 FTE.

- ❑ **Decision Item #1: State Archives Refinance and Funding Supplement.** The Department requests refinancing the funding sources for Archives by increasing General Fund appropriations by \$50,245, increasing cash funds appropriations by \$15,142, and decreasing reappropriated funds appropriations by \$33,152.

Department Justification for Decision Item #1.

The Department states that over the last two years Archives has been subsidized by pots appropriations approximating \$35,000 in order to shore up cash revenue shortages. The Department lists the following funding issues that are currently at play:

- The Department provided an actuals report showing that reappropriated funds revenue has dropped over the years from \$17,089 in FY 03 to \$9,083 in FY 07.
- Cash revenue has increased at the same time to \$83,413 in FY 07.
- During the fiscal downturn years, the Department FTE and appropriation was reduced by 13 FTE and \$369,256.
- The Department states that it cannot increase fees to generate further revenue. The Department is already charging \$1.25 per copy/page. The highest in a ten state comparison. The Department was also charging at the top of the ten states for other archival services.
- The Department states that having additional staff allows expanded and timelier access to State archival services, in addition, opportunities to earn revenue for these services are less likely to be missed for requests that demand quick turnaround.

Staff Analysis.

- ✓ The Department has reverted (2.0) FTEs and \$16,204 in spending authority in FY 2004; (1.0) FTE and \$7,227 in FY 2005, (0.9) FTE and no dollars in FY 2006, and (1.0) FTE and \$26,094 reappropriated funds spending authority in FY 2007. Staff notes that the Department has practically had funding for 8.0 FTEs for the past four years.
- ✓ The Department has two employees with 28.2 years and 38.6 years of service with the state respectively. Staff notes that if one of the more senior FTE leaves state employ, there will be turnover savings that will allow the Department to hire additional staff.
- ✓ Five of the eight FTE are at 82 percent or higher of their salary range. Three FTE are at 92 percent or higher of their salary range.
- ✓ Staff notes that other programs in the Department are over-appropriated spending authority to collect revenue, when the revenue is not collected the spending authority reverts. Staff feels that this should also be the case with Archives, and that the program should manage within its appropriation level and make decisions on staffing according to funding availability.

Staff recommendation.

Staff does not recommend the Department's request to refinance Archival Services with General Fund. Staff recommends adjusting cash funds and reappropriated funds spending authority to account more closely to revenue streams.

Staff recommends the Committee approve an appropriation of \$490,114 (\$385,402 General Fund, \$93,811 cash funds, and \$10,901 reappropriated funds).

Summary of Personal Services Recommendation					
(6) Division of Information Technology					
(G) Informational/Archival Services — Department of Personnel and Administration					
	Total	General Fund	Cash Funds	RF	FTE
FY 2007-08 Appropriation	485,687	362,965	78,669	44,053	9.0
FY 2007-08 Salary Survey	17,011	17,011	0	0	0.0
FY 2007-08 Performance Awards at 80 %	5,426	5,426	0	0	0.0
Fund mix adjustment	(18,010)	0	15,142	(33,152)	0.0
Total Personal Services Recommendation	\$ 490,114	\$ 385,402	\$ 93,811	\$ 10,901	9.0

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. The request represents a continuation of the FY 2007-08 appropriation. **Staff recommends the Committee approve an appropriation of \$56,794.**

(H) TECHNOLOGY MANAGEMENT UNIT

This section supports all software applications that are used on a statewide basis. These applications include the State's financial system (COFRS), human resources systems (EMPL), and billing programs for the State's payroll system (CPPS). It also operates the State's fleet management software (CARS) and the State's contract systems (BIDS).

(6) Division of Information Technology (H) Technology Management Unit — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	1.6	1.0	1.0	1.0
IT Professional	28.6	30.0	30.0	35.0
Electronics Specialist	0.7	0.5	0.5	0.5
Customer Support	1.8	1.0	1.0	1.0
Support / Clerical	0.6	0.0	0.0	0.0
Controller	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	36.3	35.5	35.5	40.5

PERSONAL SERVICES

The Department has requested funding of \$3,021,513 reappropriated funds and 35.5 FTE.

- ❑ **Statewide Supplemental #1 / Statewide Budget Amendment #1: GGCC True-up and Technology Management Unit (TMU) Refinance.** The Department requests that the TMU start billing its state agency customers directly through the GGCC recoverable costs methodology. Currently, the TMU is currently wholly funded by the General Fund, and its costs are recovered through the statewide indirect cost plan prepared each year by the State Controller's office. The Department submitted this request as a supplemental, however, staff did not recommend it because it did not meet supplemental criteria.

Department Justification for TMU Refinance.

The TMU supports all software applications that are used on a statewide basis including the State's financial system (COFRS), human resources systems, and billing programs for the State's payroll system (CPPS). The Department recommends the refinance for *two primary reasons*: first, provide a one-time General Fund saving. The second reason is that the majority of functions provided by the TMU are statewide computing related functions (according to the Department of Personnel, its share of TMU services for FY 08 represents 40 percent of the total cost of this unit) that would more appropriately and accurately be recovered by a direct billing methodology.

The costs of the TMU will be assessed toward the GGCC bill and recovered from state agencies through the Long Bill line "Purchase of Services from Computer Center."

Staff Analysis.

Billing directly for a service is a better way to account for costs of services provided and received. Given that the TMU provides a great deal of statewide support, the Department stated that approximately 40 percent of TMU services are used by the Department of Personnel and 60 percent is statewide support, staff believes that funding the TMU through a direct billing methodology to its clients is more accurate than assigning costs a year after the fact through the statewide indirect costs plan.

Upon staff request the Department provided an analysis which shows that the Net General Fund "saving" in out years is estimated to be \$142,215. This number is low because as the TMU starts billing directly for its services, the statewide indirect cost plan will take the TMU off of its calculation matrix, and will not try to recover the TMU's costs.

Staff recommends that the TMU be refinanced from General Fund to reappropriated funds. Staff will apply the TMU costs to the GGCC common policy recoverable costs and will present calculations to the Committee at that time.

Staff recommends the Committee approve \$2,990,203 reappropriated funds and 35.5 FTE. Staff recommendation is consistent with Committee common policy.

Summary of Personal Services Recommendation				
(6) Technology Management Unit, (H) Technology Management Unit Services — Department of Personnel and Administration				
	Total	General Fund	RF	FTE
FY 2007-08 Appropriation	2,810,279	2,810,279	0	34.5
S.B. 07-228 Vendor Perform. Monitoring	106,099	106,099	0	1.0
FY 2007-08 Salary Survey	101,290	101,290	0	0.0
FY 2007-08 Performance Awards at 80 %	33,042	33,042	0	0.0
Base Reduction (-1.0 Percent)	(30,507)	(30,507)	0	0.0
S.B. 07-228 Out year impact	(30,000)	(30,000)	0	0.0
SBA #1: TMU Refinance	0	(2,990,203)	2,990,203	0.0
Total Personal Services Recommendation	\$ 2,990,203	\$ 0	\$ 2,990,203	35.5

OPERATING EXPENSES

The Department has requested funding of \$529,371 reappropriated funds.

- Statewide Supplemental #1 / Statewide Budget Amendment #1: GGCC True-up and Technology Management Unit (TMU) Refinance.** The Department requests that the TMU

start billing its state agency customers directly through the GGCC recoverable costs methodology. Currently, the TMU is currently wholly funded by the General Fund, and its costs are recovered through the statewide indirect cost plan prepared each year by the State Controller's office. The Department submitted this request as a supplemental, however, staff did not recommend it because it did not meet supplemental criteria.

Staff recommends the Committee approve \$529,371 reappropriated funds. Staff notes that the recommendation is made up of \$295,871 from the prior year appropriation as well as \$233,500 related to the implementation of S.B. 07-228.

(7) 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.

(7) Office of Administrative Courts — Staff Summary				
	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommend.
Division Director	1.0	1.0	1.0	1.0
Administrative Law Judges	17.8	19.4	19.4	19.4
General Professional	4.0	4.0	4.0	4.0
Safety Security Officer	1.0	1.0	1.0	1.0
Support/Clerical	7.6	2.0	2.0	2.0
Technician	4.3	11.6	11.6	11.6
Total	35.7	39.0	39.0	39.0

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. The Department is requesting an appropriation of \$3,201,823 and 40.8 FTE. The request includes \$80,856 General Fund and 1.8 FTE related to S.B. 07-210, \$28,546 cash funds and \$3,092,421 reappropriated funds. These funding sources represent transfers from non-state agencies and other state agencies that are deposited into the internal service fund established for this division.

Staff recommends the Committee approve an appropriation of \$3,170,099 and 40.8 FTE. The recommendation includes \$80,047 General Fund, \$28,546 cash funds and 3,061,506 reappropriated funds. This recommendation is consistent with Committee common policy.

Summary of Personal Services Recommendation (7) Office of Administrative Courts — Department of Personnel					
	Total	General Fund	Cash Funds	RF	FTE
FY 2007-08 Appropriation	3,008,208	0	28,546	2,979,662	39.0
S.B. 07-210 Ethics Commission	80,856	80,856	0	0	1.8
FY 2007-08 Salary Survey	84,304	0	0	84,304	0.0
FY 2007-08 Performance Awards at 80 %	28,752	0	0	28,752	0.0
Base Reduction (-1.0 Percent)	(32,021)	(809)	(285)	(30,927)	0.0
Fund Mix Adjustment	<u>0</u>	<u>0</u>	<u>285</u>	<u>(285)</u>	<u>0.0</u>
Total Recommendation	3,170,099	80,047	28,546	3,061,506	40.8

OPERATING EXPENSES

Operating expenses for the division supply the program with general office needs. The FY 2008-09 Department request of \$166,731, including \$11,144 General Fund for S.B. 07-210, and \$155,587 reappropriated funds (Administrative Hearings Fund).

Staff recommends the Committee approve an appropriation of \$166,731.

Summary of <i>Operating</i> Recommendation (7) Office of Administrative Courts — Department of Personnel				
	Total	General Fund	Cash Funds	RF
FY 2007-08 Operating Appropriation	151,367	0	0	151,367
S.B. 07-210 Ethics Commission	17,154	17,154	0	0
S.B. 07-258 Workers' Compensation	3,502	0	0	3,502
S.B. 07-210 out year impact	(6,010)	(6,010)	0	0
FY 08 DI#5 Legal Files Maintenance (out year)	718	0	0	718
Total Recommendation	166,731	11,144	0	155,587

INDIRECT COST ASSESSMENT

The department requests \$239,271 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).

FOOTNOTE RECOMMENDATIONS:

Staff recommends the Committee eliminate the following footnotes from the FY 2008-09 Long Bill:

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

Comment: For the past three years the Department has not provided a report related to this footnote request, instead, the Department has directed staff to the energy management programs section of the Annual Report from the State Architect submitted to the Capital Development Committee. The Department has told staff that they feel the State Architect's report addresses the request contained in this footnote. **Staff recommends the Committee discontinue this footnote in FY 2008-09.**

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

Staff recommends the Committee continue the following footnote in the FY 2008-09 Long Bill, with amendments in small caps and struck text:

- 14 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, 2007~~. SEPTEMBER 1, 2008. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in ~~FY 2006-07~~: FY 2007-08. IN ADDITION, THE REPORT SHOULD INCLUDE A RECONCILIATION BETWEEN PERSONAL SERVICES APPROPRIATIONS AND ACTUAL EXPENDITURES FOR FTE, STATE TEMPORARIES, SICK/ANNUAL LEAVE PAYOUT, AND OTHER PERSONAL SERVICES BY DIVISION.

Comment: Staff has added a new section to this annual request which ask departments to reconcile FTE and personal services appropriations to actual expenditures. **Staff recommends the Committee continue this amended footnote in FY 2008-09.**