

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION
AND
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)
FY 2009-10 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Monday, January 5, 2009
1:30 pm – 5:00 pm**

1:30-1:35 INTRODUCTIONS AND OPENING COMMENTS

1:35-2:00 QUESTIONS COMMON TO ALL DEPARTMENTS

1. What are your department's three top goals for the current year? How will they be achieved?
2. How do your requested decision items tie to your goals?
3. Could your department shift to a four day work week that begins on Wednesday and ends on Saturday? If not, why not? If only a portion of the department can go to a four day week, what portion can and what portion cannot and why?
4. Has your department been able to fill new or vacant positions? Can your department quantify the benefits it has seen as a result of adding additional FTE or filling vacant positions?
5. What is the status of your department's implementation of S.B.08-155, Centralize IT Management in OIT? Is your department experiencing any difficulties?
6. If you have submitted a General Fund decision item, justify why it must be funded in FY 2009-10 and why it cannot be postponed until FY 2010-11.
7. How many employees, especially among upper management, are assigned a state vehicle for them to use to travel between home and work? How many state vehicles does your department use to transport staff? Would it be more cost effective to reimburse employees for using their personal vehicles for these purposes?

2:00-2:20 EXECUTIVE DIRECTOR'S OFFICE

Continuous Spending Authority for Certain DPA Funds

8. Justify the need for continuous spending authority for the Worker's Compensation Account, the Central Services Revolving Fund, and the Motor Fleet Management Fund.
9. Provide historical fund balance and appropriations spending authority for the three funds in order to determine if an adjustment of spending authority will be sufficient to cover the

concerns the Department has about over expending its appropriations?

10. What is the total dollar amount in each of the funds that you are requesting continuous spending authority for?
11. Why is there a difference between the number of appropriated FTE and the paychecks written per the monthly Controller paycheck report?
12. How many social security numbers do we have for all employees of the state as of December 22? Provide breakdown by department.
13. Are there employees that receive monthly checks that don't show up to work? How do we know if we cannot accurately track FTE?

2:20-3:00 DIVISION OF HUMAN RESOURCES

14. Regarding decision item 2, Training Services Base Increase, what type of courses is the department offering that they need an increase in Training Services?
15. Regarding decision item 7, Ombuds Program Base Increase, could the department implement a pilot program for a couple of years to ascertain the benefits before committing to it on a permanent basis? Are there other states that have such programs? What were the results in those states?

FY 2008-09 Hiring Freeze and Budget Balancing

16. Provide and discuss the statewide hiring freeze report. What is the current amount of savings associated with the hiring freeze?
17. What are the criteria for the hiring freeze? How many people were exempt as compared to not exempt?
18. Provide the Governor's and state personnel director plan for balancing the budget in FY 2008-09. What particular cuts are you proposing in order to save approximately \$631 million General Fund?
19. When we look at the number of dollars saved from the hiring freeze will we have to look at FTE? Will that be a complete report that shows how much vacancy savings will be available? How is vacancy savings calculated? What has the vacancy savings been each year for the last five years?

FTE Vacancies, Turnover Rates and Personal Services Base Reduction

20. The OSPB has acknowledged that there is excess and reversions in areas of agencies' budgets. Share with the Committee in what areas of your department's budget you have experienced excess and reversions for FY 2002 through FY 2008.
21. The Department compiles the aggregate statistics for the statewide workforce demographics report. Included in this report are statistics about turnover rates and retirement rates. Provide the detailed information behind these statewide statistics, in particular, provide a breakdown of the FY 2007-08 report turnover rates by department and division.
22. What is the Department's personal services turnover vacancy for FY 2002 through 2008 (provide percentage as well as associated dollar amount)? How much of the turnover is the result of retirement?
23. Does the Department intend to provide the JBC with a FTE vacancy report as requested by the Legislature in April? By when does the Department anticipate submitting such a report?
24. Discuss how the Department can provide better information regarding the reconciliation of personal services lines funding with FTE funding.
25. Are people retiring when they are eligible? If no, how far beyond eligible retirement do they go before retiring, on average?

FY 2009-10 Statewide Total Compensation Request

26. Does the Department anticipate submitting an update to the August 1 total compensation recommendation? Why or why not?
27. Does the Department feel that the November 1 budget request is out of balance because of the fact that agencies were not required to calculate the request in detail, nor were they required to calculate the requested FY 2009-10 funding splits (the request is built using FY 2008-09 funding splits)?
28. Does the Department anticipate using a different calculation methodology for any update to the November 1 Total Compensation Request? Provide explanation of any new calculation methodology.
29. The August 1 Director recommendation letter requested funding for special recognition programs to be applied throughout the year for employee contributions. How much does this program cost? What was the Department's reason for including it as part of the request? Provide description and implementation material for the program. Was it built within the salary survey or the performance-pay request?

30. Are we maintaining 90 percent of market contributions with the November 1 request for health contributions? Elaborate on the Department's vision and goals for state health contributions for the next five years. Include Department's estimate of costs to get to 100 percent.
31. Why does the state's HLD benefits cost so much? What does the Department do to try and increase services and cut costs? How does the Department negotiate rates?
32. What is the average age of state employees who are covered by the State's health insurance?

3:00-3:30 CENTRAL SERVICES

33. In relation to central services DPA provides to other departments, what does the Department do when asked to provide a service? Does the Department ask questions about why a department needs a type of service? Does the Department recommend more efficient ways to perform a service? Give examples of such cases.
34. Does the Department of Personnel believe that it has a responsibility to manage other departments' usage of DPA services? Should it be the Department's responsibility? Why or why not?
35. Does the Department have the capacity to provide more digital instead of microfilm services?
36. Can departments go outside of the Department of Personnel if they can find a service cheaper than what Personnel can provide?
37. Will decision item 1, State Fleet Management Operating Increase, be withdrawn? Provide analysis of this decision item using most current cost information.
38. What are the common policy instructions to departments regarding fuel increases? How many departments have requested fuel increases related to the Department's decision item 1? What is the total cost of statewide fuel increase requests? Will other departments' requests be withdrawn as well if decision item 1 is withdrawn?
39. How much storage capacity do we have for fuel? How much can we pre-purchase while fuel is at a low costs?
40. The Department has included 14 decision items. Most of these decision items are requested to be funded through reappropriated funds from other departments. Provide an analysis for each of the 14 decision items showing how much of each decision item impacts other departments' appropriations. For each decision item, provide a breakdown by fund source (General Fund, cash funds, reappropriated funds, federal funds) and by department of statewide fund impact for each of the 14 decision items.
41. Regarding decision item 9, why is the cost on the vehicles so low? Is it better to buy used vehicles up to 20,000 miles rather than new vehicles? Why or why not? Has the department

ever looked into this?

42. How many miles could the department safely increase replacement mileage given the current revenue forecast? Why do we have to replace at 100,000 miles? Do newer vehicles last longer than they used to in the past?
43. Provide a breakdown of state fleet vehicles by department.
44. Provide a detailed breakdown report by department and by type of vehicle for FY 2009-10 requested replacement vehicles. Should we run vehicles for 200,000 miles to get to a point where new technologies really benefit us? Why or why not?
45. Regarding decision item 12, why does it cost \$44,000 to kill weeds at Camp George West? How much has the State spent so far on eradicating noxious weeds at Camp George West? Why do we need to continue appropriating funding for noxious weed eradication?

3:30-4:00 FINANCE AND PROCUREMENT

46. What does Central Collections do? How long has the State been involved in collecting funds owed to the State?
47. How many FTEs does Central Collections currently hold? Is there a planned increase for 2009-10, if so why?
48. What is the division of Central Collections percentage return to the state on accounts in collections?
49. What dollar amount is assigned for collection over a year period?
50. What is the actual recovery rate vs. total operational costs for the collections program (including FTE, software, and other expenses)?
51. When is an account placed for outsourcing? How much in total is currently outsourced work compared to total outstanding collections? What is the percentage of return to the state by outsourced companies?
52. When collections are outsourced, does the Department use Colorado companies?
53. What dollar amount was outsourced in 2008? What was the percentage of recovery?

4:00-5:00 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

54. Has PERA discussed what constitutes an actuarial emergency? At what funding level would this occur? Is declaring an actuarial emergency the only way the Association can support increasing the employee contribution to help address the unfunded liability? Is declaring an actuarial emergency more feasible now given the financial crisis and the drop in PERA's market valuation?
55. What legislation does the Public Employees' Retirement Association plan to pursue in 2009 and 2010 that will address the unfunded liability in PERA's trust funds?
56. How does the drop in PERA's fund compare with what has occurred with other retirement accounts?
57. Does PERA pay tax on their dividends?
58. The 18.45 percent Annual Required Contribution (ARC) amount, mentioned in the Comprehensive Annual Financial Report, the amount the employer should be contributing or the combined amount of employer and employee contribution? Using the ARC methodology, what is the total percentage contribution, employer and employee, that PERA needs to fully fund its obligations?
59. When will PERA no longer have sufficient cash flow to cover benefits without some type of other infusion?
60. What dollar amount, broken down by contributor (including employees), do we put into PERA monthly and annually?
61. How much is PERA paying for all the studies it will perform in 2009? Why are the studies necessary? What will be gained from the studies?
62. According to the December 31, 2007, CAFR, the amortization period for all PERA trust funds is finite (under 100 years). Is it safe to assume the amortization period is no longer finite for some of the funds? What is the current amortization period for PERA trust funds?
63. What percentage of employees are taking defined contribution plan as opposed to traditional plan? How has this ratio changed since the inception of the defined contribution plan?
64. What is latest status of Denver Public Schools Retirement System merger with the PERA system?
65. What advantages are there for the state of Colorado or city of Denver in having two separate pension systems for the Denver Public Schools vs. the rest of the state of Colorado?
66. Would all school employees in the state be better off as part of one larger, more diverse

67. Have any other public pension fund mergers nationally been accomplished through voluntary actions of the governing boards of the respective pension systems or have they all been done through legislative action of state legislature in question?
68. In other public pension fund mergers nationally, is it common practice that the pension system that comes into the merger with a higher funding ration ends up after the merger with a lower contribution ratio or a credit against future contributions?
69. Do you still support a merger between DPSRS and PERA on the two principles of our legislation from earlier this year, namely no subsidy from either PERA or DPS and an equalization of funding of the two systems?
70. Would the merger's elimination of "double-dipping"(retiring from one system, drawing a full pension from that system and going to work full-time in the other) help save money for both DPS and PERA? Is it true that, with the addition of DPS' hourly employees, DPS' active to retired ration will be very similar to that of PERA?