

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR  
FY 2013-14 and FY 2012-13**

**DEPARTMENT OF PERSONNEL**

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

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## DEPARTMENT OF PERSONNEL

### Department Overview

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 31,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; oversight of state financial activities; maintenance of state archives and public records; maintenance of the buildings in the Capitol complex and two other campuses; provision of central services to agencies in the Denver metropolitan area; provision of administrative law judge services; coordination of capital construction and controlled maintenance projects; management of the State's motor vehicle fleet; centralized lease management for state agencies; administration of the State's personnel selection, classification, and compensation programs; administration of the State's employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs.

### Summary: FY 2012-13 Appropriation and Recommendation

<b>Department of Personnel: Recommended Changes for FY 2012-13</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriate d Funds</b>	<b>FTE</b>
<b>FY 2012-13 Appropriation</b>					
FY12-13 Appropriation	<u>\$164,186,172</u>	<u>\$6,603,153</u>	<u>\$12,565,917</u>	<u>\$145,017,102</u>	<u>396.9</u>
<b>Current FY 2012-13 Appropriation</b>	<b>\$164,186,172</b>	<b>\$6,603,153</b>	<b>\$12,565,917</b>	<b>\$145,017,102</b>	<b>396.9</b>
<b>Recommended Changes</b>					
Current FY 2012-13 Appropriation	\$164,186,172	6,603,153	\$12,565,917	\$145,017,102	396.9
1331 - Workers compensation billing true-up (June 2013)	1,500,000	0	0	1,500,000	0.0
JBC staff-initiated - adjust June 2013 1331 - WC billing true-up	<u>139,145</u>	<u>0</u>	<u>1,639,145</u>	<u>(1,500,000)</u>	<u>0.0</u>
<b>Recommended FY 2012-13 Appropriation</b>	<b>\$165,825,317</b>	<b>\$6,603,153</b>	<b>\$14,205,062</b>	<b>\$145,017,102</b>	<b>396.9</b>
<b>Recommended Increase/(Decrease)</b>	\$1,639,145	\$0	\$1,639,145	\$0	0.0
Percentage Change	1.0%	0.0%	13.0%	0.0%	0.0%
<b>FY 2012-13 Executive Request</b>	<b>\$165,553,578</b>	<b>\$6,603,153</b>	<b>\$12,565,917</b>	<b>\$146,384,508</b>	<b>396.9</b>
Request Above/(Below) Recommendation	(\$271,739)	\$0	(\$1,639,145)	\$1,367,406	0.0

## Request/Recommendation Descriptions

**1331 – Workers' compensation billing true-up:** The request was submitted in June 2013 and an additional \$1.5 million reappropriated funds was approved.

**JBC staff-initiated - adjust June 2013 1331 - WC billing true-up:** Staff recommends a technical adjustment to show cash funds rather than reappropriated funds spending authority for the June 2013 1331 and an additional \$139,145 cash funds to match the final overexpenditure amount allowed by the State Controller.

## Summary: FY 2013-14 Appropriation and Recommendation

Department of Personnel: Recommended Changes for FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2013-14 Appropriation</b>						
SB 13-230 (Long Bill)	\$172,942,077	\$9,154,163	\$12,354,837	\$151,433,077	\$0	393.4
Other Legislation	<u>1,263,909</u>	<u>(22,189)</u>	<u>1,273,976</u>	<u>12,122</u>	<u>0</u>	<u>(0.8)</u>
<b>Current FY 2013-14 Appropriation</b>	<b>\$174,205,986</b>	<b>\$9,131,974</b>	<b>\$13,628,813</b>	<b>\$151,445,199</b>	<b>\$0</b>	<b>392.6</b>
<b>Recommended Changes</b>						
Current FY 2013-14 Appropriation	\$174,205,986	9,131,974	\$13,628,813	\$151,445,199	\$0	392.6
S1 - Legislative audio digitization	89,660	89,660	0	0	0	0.5
S2 - IDS mail postage & envelope request	0	0	0	0	0	0.0
S3 - Annual fleet supplemental true-up	0	0	0	0	0	0.0
Supplemental common policy items	310	0	0	310	0	0.0
Supplemental non-prioritized items	<u>18,140</u>	<u>0</u>	<u>0</u>	<u>18,140</u>	<u>0</u>	<u>0.0</u>
<b>Recommended FY 2013-14 Appropriation</b>	<b>\$174,314,096</b>	<b>\$9,221,634</b>	<b>\$13,628,813</b>	<b>\$151,463,649</b>	<b>\$0</b>	<b>393.1</b>
<b>Recommended Increase/(Decrease)</b>	\$108,110	\$89,660	\$0	\$18,450	\$0	0.5
Percentage Change	0.1%	1.0%	0.0%	0.0%	0.0%	0.1%
<b>FY 2013-14 Executive Request</b>	<b>\$173,393,728</b>	<b>\$9,228,392</b>	<b>\$13,628,813</b>	<b>\$150,536,523</b>	<b>\$0</b>	<b>393.3</b>
Request Above/(Below) Recommendation	(\$920,368)	\$6,758	\$0	(\$927,126)	\$0	0.2

## Request/Recommendation Descriptions

**S1 – Legislative audio digitization:** The request is for an additional \$96,418 General Fund and 0.7 FTE in FY 2013-14. The recommendation is an additional \$89,660 General Fund and 0.5 FTE in FY 2013-14.

**S2 – IDS mail postage & envelope request:** The request is for an additional \$338,511 reappropriated funds and non-prioritized requests for five departments in FY 2013-14. The recommendation is \$0.

**S3 – Annual fleet supplemental true-up:** The request includes a decrease of \$1,265,637 reappropriated funds for the Fleet Management Program's vehicle replacement lease/purchase line item and a net increase of \$29,840 total funds for non-prioritized requests for 17 appropriated department vehicle lease payments line items in FY 2013-14. The recommendation is \$0.

**Supplemental common policy items:** The request includes an increase of \$310 reappropriated funds for the Department's share of the Fleet true-up.

**Supplemental non-prioritized items:** The request includes an increase of \$18,140 reappropriated funds for the Fleet Management Program's vehicle replacement lease/purchase line item for additional vehicles requested by the Department of Natural Resources.

## Prioritized Supplemental Requests

### SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 LEGISLATIVE AUDIO DIGITIZATION

	Request	Recommendation
<b>Total</b>	<b><u>\$96,418</u></b>	<b><u>\$89,660</u></b>
FTE	0.7	0.5
General Fund	96,418	89,660

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

**Department Request:** The Department requests an additional \$96,418 General Fund and 0.7 FTE for FY 2013-14 for the State Archives related to recommendations from the Legislative Digital Policy Advisory Committee.

**Staff Recommendation:** Staff recommends that the Committee approve an additional \$89,660 General Fund and 0.5 FTE for FY 2013-14.

**Staff Analysis:** The supplemental budget request is a result of recommendations from the Legislative Digital Policy Advisory Committee (LDPAC) for the digitization of legislative audio. The request is submitted as a supplemental and budget amendment for fiscal years through FY

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2017-18. The Department's request and staff's recommendation are outlined in the following table. Staff's recommendation excludes compensation related POTS items that are included in the Department's request, but otherwise recommends the amounts requested.

<b>Legislative Audio Digitization Request and Recommendation</b>						
	FY13-14		FY14-15		FY15-16 - FY17-18	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Request:</b>						
Personal Services	0.7	\$ 33,043	2.0	\$ 115,810	2.0	\$ 115,810
Operating Expenses		<u>63,375</u>		<u>70,692</u>		<u>36,092</u>
<b>Total Request</b>	<b>0.7</b>	<b>96,418</b>	<b>2.0</b>	<b>186,502</b>	<b>2.0</b>	<b>151,902</b>
<b>Recommendation:</b>						
Personal Services:						
Archivist I	0.25	10,335	1.0	41,341	1.0	41,341
GP IV	<u>0.25</u>	<u>15,950</u>	<u>1.0</u>	<u>63,800</u>	<u>1.0</u>	<u>63,800</u>
Subtotal Personal Services	0.50	26,285	2.0	105,141	2.0	105,141
Operating Expenses						
FTE Operating Expenses		6,603		1,900		1,900
AES/ARSC Membership		1,144		1,144		1,144
IT Storage		12,428		11,748		11,748
Software and Licenses		3,800		300		300
IT Hardware		3,000		9,600		0
Audio Equip Related		<u>36,400</u>		<u>46,000</u>		<u>21,000</u>
Subtotal Operating		<u>63,375</u>		<u>70,692</u>		<u>36,092</u>
<b>Total Recommendation</b>	<b>0.5</b>	<b>\$ 89,660</b>	<b>2.0</b>	<b>\$ 175,833</b>	<b>2.0</b>	<b>\$ 141,233</b>

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2**  
**IDS MAIL POSTAGE & ENVELOPE REQUEST**

	Request	Recommendation
<b>Total</b>	<b><u>\$338,511</u></b>	<b><u>\$0</u></b>
FTE	0.0	0.0
Reappropriated Funds	338,511	0

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

**Department Request:** The Department requests \$338,511 reappropriated funds. The Department also requests non-prioritized increases for five departments operating expenses line items related to its request for postage.

**Staff Recommendation:** Staff recommends that the Committee **deny** the request.

**Staff Analysis:** The supplemental budget request identifies an increase in first class mail postage rates by the U.S. Postal Service as the primary reason for this request. The Department states that the Integrated Document Solutions (IDS) unit in Central Services will not be able to absorb the increase in postage rates without additional spending authority and therefore will not be able to process outgoing mail for state agencies.

The Department's request identifies a full-year impact of \$677,000 or a half-year impact of \$339,000. However, because it is not clear how the increase will affect state agency postage that may be presorted and other discounted mailing types, it is unclear whether and by how much the three cent increase in first class postage will affect IDS and state agencies.

The request provides a figure of 20.5 million pieces of mail which include letters, flats, and parcels. The Department provided staff with an FY 2012-13 actual and FY 2013-14 projected amounts of \$7.2 million and \$7.5 million for postage, respectively. These amounts average 34.9 and 36.5 cents per piece, respectively. First class postage, identified as the reason for the request, will rise from 46 cents to 49 cents at the end of January. The current 46-cent first class postage is 31.8 percent higher than the average FY 2012-13 per-piece amount of 34.9 cents. While there may be a one-to-one correlation between the increase in first class postage rates and IDS expenditure experience, there is not enough data provided by the Department to make that determination.

However, even granting the Department the assumption that postage expenditures will rise as they have projected, the IDS operating expenses line item is currently appropriated \$12.5 million and the operating expenses contingency line item is appropriated an additional \$0.7 million, for total spending authority of \$13.2 million. From FY 2010-11 through FY 2012-13, the IDS program has expended \$11.1 million, \$11.7 million, and \$11.4 million in total out of its operating expenses line items. The Department's request for an additional \$338,511 for postage does not necessitate additional spending authority for this line at this time.

The Department's request also included non-prioritized requests for five other departments. Staff is not in a position to analyze the needs of other departments for a Central Services unit request that is not a statewide common policy. Staff recommends that these departments submit prioritized supplemental requests as necessary at the time that it is determined that these

departments are substantially impacted by the increase in postage rates. Staff recommends that the non-prioritized requests be denied at this time.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #3  
ANNUAL FLEET SUPPLEMENTAL TRUE-UP**

	Request	Recommendation
<b>Total</b>	<b><u>(\$1,265,637)</u></b>	<b><u>\$0</u></b>
FTE	0.0	0.0
Reappropriated Funds	(1,265,637)	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

**Department Request:** The Department requests a \$1,265,637 decrease in reappropriated funds in its Vehicle Replacement Lease, Purchase or Lease/Purchase line item. The Department also requests common policy non-prioritized adjustments to 17 appropriated department Vehicle Lease Payments line items for a net increase of \$29,840 total funds across appropriated state agencies. And the Department requests a technical adjustment to its letter note regarding the total of its lease-purchase agreement from \$22,000,000 to \$23,901,008.

**Staff Recommendation:** Staff recommends that the Committee approve the letter note technical adjustment to \$24,000,000, but recommends that the Committee **deny** the remainder of the request at this time; requested vehicle lease payments line item adjustments would be included in adjustments for FY 2014-15 figure setting.

Optionally, the Committee might choose to approve adjustments to the three departments projected to need significant increases in spending authority.

If the Committee chooses to address significant increases, the Committee may wish to establish a standard policy for addressing Fleet supplemental true-up non-prioritized request items. Staff recommends a 10.0 percent or greater increase in projected need for adjustments to vehicle lease payments line items.

**Staff Analysis:** The annual Fleet supplemental true-up is the only common policy item that is submitted every year at supplemental time, regardless of supplemental necessity.

Staff's recommendation to forego making adjustments as included in the supplemental true-up is based on the relatively automatic expenditure process that takes place once vehicle replacements



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and additional vehicles are approved in the figure setting process and in appropriations in non-budget bills.

- The Fleet lease/purchase payment line item and department vehicle lease payments line items are determined by the number of replacement and additional vehicles approved by the General Assembly and calculated on a reasonable methodology that incorporates average timing of vehicle deliveries.
- Actual expenditures are determined by the random and unknown timing of events for specific vehicles as follows: date of delivery of purchased vehicles; vehicles in accidents; and individual department choices to forego or turn-in previously approved vehicles.
- Savings are achievable from the baseline appropriation, and savings will occur randomly, primarily due to timing, but savings are not contingent or dependent on reducing spending authority. Savings (and increases) are somewhat random and unpredictable on a department-by-department basis, but the common policy methodology used at figure setting accurately captures appropriations needs for the entire Fleet budget system.
- True-up adjustments can be incorporated into the following year's appropriations.

The following table identifies the three departments with requested adjustments that the Committee may choose to approve because of the projected need for a significant increase in spending authority. The table also outlines the adjustments for all other departments as requested by the Department.

<b>Fleet Supplemental True-up Change Analysis, Department Request, and Optional Approval</b>							
	FY13-14	Projected Need	Variance	Percentage	GF	Dept.	Optional
	Approp.	as of Sept 2013	from Approp	Change	Adjust	Request	Approval
<b>Departments with a Projected Need for Significant Increased Spending Authority</b>							
Judicial - Public Defender	\$44,407	\$105,286	\$60,879	137.1%	\$60,879	\$60,879	\$60,879
Local Affairs	67,276	80,484	13,208	19.6%	11,887	13,208	13,208
Public Health & Environment	257,112	318,087	60,975	23.7%	0	60,975	60,975
<b>Department with Significant Fund Adjustments</b>							
Public Safety							
EDO	128,858	169,253	40,395	31.3%	(7,085)	40,395	0
CSP	5,790,302	5,836,418	46,116	0.8%	107,231	46,116	0
CBI	<u>269,849</u>	<u>403,134</u>	<u>133,285</u>	<u>49.4%</u>	<u>127,730</u>	<u>133,285</u>	<u>0</u>
Public Safety - Total	6,189,009	6,408,805	219,796	3.6%	227,876	219,796	0
<b>Other Department Adjustments Requested</b>							
Agriculture	224,096	230,159	6,063	2.7%	2,603	6,063	0
Agriculture - State Fair	5,645	4,685	(960)	(17.0%)	0	(960)	0

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<b>Fleet Supplemental True-up Change Analysis, Department Request, and Optional Approval</b>							
	FY13-14	Projected Need	Variance	Percentage	GF	Dept.	Optional
	Approp.	as of Sept 2013	from Approp	Change	Adjust	Request	Approval
Corrections	3,098,328	2,862,860	(235,468)	(7.6%)	(140,932)	(235,468)	0
Education	27,913	26,216	(1,697)	(6.1%)	(1,697)	(1,697)	0
Governor	85,197	86,548	1,351	1.6%	1,351	1,351	0
Human Services	1,180,354	1,200,006	19,652	1.7%	6,326	19,652	0
Judicial - Courts	88,182	79,051	(9,131)	(10.4%)	0	(9,131)	0
Labor and Employment	110,201	103,602	(6,599)	(6.0%)	0	(6,599)	0
Law	62,019	60,938	(1,081)	(1.7%)	0	(1,081)	0
Military Affairs	41,309	42,725	1,416	3.4%	1,416	1,416	0
Natural Resources	3,462,996	3,370,890	(92,106)	(2.7%)	(15,739)	(92,106)	0
Personnel	84,173	84,483	310	0.4%	0	310	0
Regulatory Agencies	203,988	199,165	(4,823)	(2.4%)	0	(4,823)	0
Revenue	577,363	565,735	(11,628)	(2.0%)	(391)	(1,672)	0
State	<u>3,345</u>	<u>3,071</u>	<u>(274)</u>	<u>(8.2%)</u>	<u>0</u>	<u>(274)</u>	<u>0</u>
<b>Total</b>	<b>\$15,812,913</b>	<b>\$15,832,796</b>	<b>\$19,883</b>	<b>0.13%</b>	<b>\$153,579</b>	<b>\$29,839</b>	<b>\$135,062</b>

The Department of Public Safety is projected to have a 3.6 percent increased need at the department level, but division adjustments and fund adjustments are significant. In a case like this, analysis of internal program vehicle need and fund adjustments are best determined by that department analyst. Based on the insignificant change at the Department level, staff recommends that no adjustment be made through this request. However, if the Department of Public Safety analyst believes adjustments should be made because of the significant adjustments across divisions and fund sources, the analyst will present a recommendation to the Committee.

The following table provides an outline of Department and staff positions regarding the need for an annual Fleet supplemental true-up.

<b>Comparison of Department and Staff Positions on the Fleet Supplemental True-up</b>	
Department	Staff
<p>Department hearing response:  <i>The Department believes that the mid-year true-up saves the State money.</i></p>	<p>In some years, on net, it saves <u>spending authority</u>. This year net spending authority increases by \$19,883, rather than the \$29,840 identified in the request, for appropriated departments. This year's supplemental request includes a \$154,000 General Fund increase.</p>

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<p>Department statement:</p> <p><i>The true-up that takes place for each agency can save the state money if an agency has decided to forego a vehicle or turn one in because it is no longer needed. If a vehicle is financed through GF appropriations and a savings is requested, then it does in fact save the state money in that year, however little and/or temporary.</i></p>	<p>This example saves the State money regardless of the adjustment to spending authority. If a department "requests savings", "foregoes", or "turns in" a vehicle, and the appropriation is not adjusted downward, those savings simply become a reversion and money is nevertheless saved. Based on the timing of the true-up projections, a true-up adjustment can only reflect "savings" decisions made in the first three months of the year. Making "savings" decisions is not restricted because appropriations are not adjusted. Additionally, as noted above, this year's request increases General Fund appropriations.</p>
<p>Department hearing response:</p> <p><i>Receiving approval at mid-year also allows DPA to purchase previously unknown approved additional vehicles, such as those approved through a supplemental bill or special bill, before manufacturer ordering deadlines that normally occur between January and April. The funding previously approved for these vehicle lease payments that can begin as early as January will not be utilized as planned if not approved at mid-year.</i></p>	<p>The supplemental process takes care of this need regardless of the mid-year true-up. The mid-year true-up does not address additional vehicles requested through supplementals. Additional vehicles requested by departments include a non-prioritized adjustment to Fleet's lease-purchase payment line item – as are currently included as supplemental non-prioritized requests 6 and 7 for the Department of Natural Resources.</p>
<p>The Department identified the issue of errors in which a bill ends up leaving out the appropriation for the Fleet lease/purchase payment line item.</p> <p><i>For example, a couple of years ago the medical marijuana legislation appropriated something like 70 vehicles (this may be off, but the magnitude is about right) to DOR within months of the passage of that bill. Neither DOR or Leg. Council informed DPA that this was happening. Granted, this is a big one-off, but things like this happen all the time where a special bill appropriates a vehicle or five and DPA is playing catch-up to make sure it has the necessary resources and to make sure the appropriated department has the correct resources.</i></p>	<p>The supplemental process, including the 1331 interim supplemental process, provides a resolution for these problems regardless of the need for an annual supplemental mid-year true-up.</p>

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<p>Department hearing response: <i>The annual supplemental mid-year true-up is a proactive approach to capture the sometimes significant difference between agency appropriations and actual need.</i></p>	<p>Staff agrees. In a case where the projected increase in spending authority is significant, <u>it may be necessary</u> to address such a situation with a supplemental adjustment.</p> <p>However, the net adjustment of \$19,883 on a total appropriation of \$15.8 million for state agency vehicle lease payments line items, represents a 0.13 percent net adjustment.</p> <p>Additionally, the requested adjustment for Fleet's lease/purchase payment line item is a 7.03 percent decrease for an expenditure that is on "auto-pilot" and not discretionary or subject to direction by Fleet or the Department.</p> <p>Finally, as important as the true-up appears to be to the Department, the FY 2014-15 request is not similarly adjusted through a budget amendment to include the "true-up" projections used in the supplemental request.</p>
<p>Department statement: <i>From the Department's perspective, it is much more efficient to submit a single request to true-up all appropriations (even the ones that will underspend) using a single consistent methodology than it would be to allow all agencies that have a demonstrated need to submit their own requests. Under the assumption that each of these agencies would submit a supplemental, this single supplemental true-up has saved the time and effort associated with what would have been nine separate supplemental or emergency supplemental requests.</i></p>	<p>Staff agrees that it is reasonable for the Department to submit a single common policy request with non-prioritized items for departments. However, because of the nature of common policy items, the annual figure-setting process can just as readily and more efficiently be used to make such adjustments – for this year a net 0.13 percent adjustment across appropriated agencies on a projection using three months of actual expenditure data.</p> <p>In the Department of Public Safety non-prioritized request, there are significant internal fund adjustments and adjustments in vehicle needs by division that appear to be more reasonably addressed by that department analyst.</p> <p>The Department of Natural Resources analyst has communicated that savings from the vehicle lease payments line item might be used for funding a separate, additional vehicle supplemental request.</p> <p>The Department of Regulatory Agencies has no other supplemental request and the requested decrease of \$4,823 in cash funds spending authority, representing a 2.4 percent decrease, would generate a supplemental bill solely to accommodate this requested change.</p>

## Statewide Common Policy Supplemental Requests

This request is not prioritized.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SNP1 – Annual fleet supplemental true-up	\$310	\$0	\$0	\$310	\$0	0.0
<b>Department's Total Statewide Supplemental Requests</b>	<b>\$310</b>	<b>\$0</b>	<b>\$0</b>	<b>\$310</b>	<b>\$0</b>	<b>0.0</b>

**Staff Recommendation:** Staff asks permission to include, or adjust as necessary, the corresponding appropriations in the Department's supplemental bill if the Committee approves the common policy supplemental request. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

## Fleet-related NP Supplemental Requests

These requests are non-prioritized adjustments to the Fleet Management Program, Vehicle Replacement Lease/Purchase line item, as a result of additional vehicles requested by state agencies.

Fleet-related NP Supplemental Requests	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SNP6 – Colorado avalanche information center stabilization (DNR)	\$2,892	\$0	\$0	\$2,892	\$0	0.0
SNP7 – Vehicles for inspectors (DNR)	15,248	0	0	15,248	0	0.0
<b>Department's Total Fleet-related NP Supplemental Requests</b>	<b>\$18,140</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,140</b>	<b>\$0</b>	<b>0.0</b>

**Staff Recommendation:** Staff asks permission to include, or adjust as necessary, the corresponding appropriations in the Department's supplemental bill if the Committee approves the prioritized agency requests.

## FY 2012-13 Supplemental Requests

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### FY 2012-13 PREVIOUSLY APPROVED SUPPLEMENTAL REQUEST, 1331 – WORKERS' COMPENSATION BILLING TRUE-UP (JUNE 2013)

	Previously Approved
<b>Total</b>	<b><u>\$1,500,000</u></b>
FTE	0.0
Reappropriated Funds	1,500,000

**Summary:** The Committee approved this supplemental in June 2013 when the Department requested an additional \$1,367,406 reappropriated funds spending authority from the State Employees Workers' Compensation Account in the Risk Management Fund for FY 2012-13, for the Workers' Compensation Premiums line item in Risk Management Services in the Division of Human Resources. The request identified the need for the supplemental as higher-than-expected claims expenditures. Staff's analysis determined that claims were lower than budgeted but administrative and legal expenses were higher than budgeted. Through FY 2012-13 the Department's budget interpretation included these expenditures within a single line item – the Workers' Compensation Premiums line item, which was split into more distinct administrative and legal line items beginning with the FY 2013-14 budget. Additionally staff recommended an additional \$1.5 million.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this supplemental in the Department's supplemental bill.

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### FY 2012-13 JBC STAFF-INITIATED SUPPLEMENTAL #1 ADJUST JUNE 2013 1331 – WC BILLING TRUE-UP

	Recommendation
<b>Total</b>	<b><u>\$139,145</u></b>
FTE	0.0
General Fund	0
Cash Funds	1,639,145
Reappropriated Funds	(1,500,000)

**Staff Recommendation:** Staff recommends that the Committee adjust the 1331 approved in June 2013, to accurately reflect cash funds rather than reappropriated funds as the source of the appropriation and increasing the appropriation by \$139,145, as identified in the State Controller's

Overexpenditure Letter, to be paid from the State Employees Workers' Compensation Account in the Risk Management Fund.

**Staff Analysis:** The 1331 request from June 2013 was approved as outlined in the preceding supplemental item section. The request and recommendation were for reappropriated funds from the State Employees Workers' Compensation Account in the Risk Management Fund. However, because the additional spending authority is paid from reserves available in the account and not from additional billings to state agencies, the appropriation should be reflected as a cash funds appropriation. Additionally, the State Controller's Final Overexpenditure Letter of December 12, 2013, identified an allowed overexpenditure for this line item of \$139,145 above the additional \$1.5 million. Staff recommends making this adjustment is well.

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*JBC Staff Supplemental Recommendations - FY 2013-14*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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**DEPARTMENT OF PERSONNEL**  
**Kathy Nesbitt, Executive Director**

**S1 - Legislative Audio Digitization**

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

**(B) Statewide Special Purpose**

**(III) Colorado State Archives**

Personal Services	<u>494,513</u>	<u>588,111</u>	<u>33,043</u>	<u>26,285</u>	<u>614,396</u>
FTE	7.2	9.9	0.7	0.5	10.4
General Fund	373,474	405,594	33,043	26,285	431,879
Cash Funds	110,302	153,446	0	0	153,446
Reappropriated Funds	10,737	29,071	0	0	29,071
Operating Expenses	<u>81,759</u>	<u>62,447</u>	<u>63,375</u>	<u>63,375</u>	<u>125,822</u>
General Fund	76,516	62,447	63,375	63,375	125,822
Reappropriated Funds	5,243	0	0	0	0

<b>Total for S1 - Legislative Audio Digitization</b>	576,272	650,558	96,418	89,660	740,218
FTE	7.2	9.9	0.7	0.5	10.4
General Fund	449,990	468,041	96,418	89,660	557,701
Cash Funds	110,302	153,446	0	0	153,446
Reappropriated Funds	15,980	29,071	0	0	29,071



**JBC Staff Supplemental Recommendations - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

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	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
<b>S2 - IDS Mail Postage &amp; Envelope Request</b>					
<b>(4) CENTRAL SERVICES</b>					
<b>(B) Integrated Document Solutions</b>					
Operating Expenses	<u>11,351,711</u>	<u>12,507,407</u>	<u>338,511</u>	0	<u>12,507,407</u>
Cash Funds	819,930	971,105	0	0	971,105
Reappropriated Funds	10,531,781	11,536,302	338,511	0	11,536,302
<b>Total for S2 - IDS Mail Postage &amp; Envelope Request</b>	11,351,711	12,507,407	338,511	0	12,507,407
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	819,930	971,105	0	0	971,105
Reappropriated Funds	10,531,781	11,536,302	338,511	0	11,536,302

**JBC Staff Supplemental Recommendations - FY 2013-14**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2013-14 Requested Change	FY 2013-14 Rec'd Change	FY 2013-14 Total W/ Rec'd Change
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**S-3: Annual fleet supplemental true-up**

**(4) CENTRAL SERVICES**

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

Vehicle Replacement Lease/Purchase	14,125,831	18,014,816	(1,265,637)	0	18,014,816
Reappropriated Funds	14,125,831	18,014,816	(1,265,637)	0	18,014,816
<b>Total for S-3: Annual fleet supplemental true-up</b>	14,125,831	18,014,816	(1,265,637)	0	18,014,816
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	14,125,831	18,014,816	(1,265,637)	0	18,014,816

<b>Totals Excluding Pending Items</b>					
<b>PERSONNEL</b>					
<b>TOTALS for ALL Departmental line items</b>	151,490,059	174,205,986	(830,708)	89,660	174,295,646
<i>FTE</i>	<u>350.1</u>	<u>392.6</u>	<u>0.7</u>	<u>0.5</u>	<u>393.1</u>
General Fund	6,492,208	9,131,974	96,418	89,660	9,221,634
Cash Funds	10,234,819	13,628,813	0	0	13,628,813
Reappropriated Funds	134,763,032	151,445,199	(927,126)	0	151,445,199
Federal Funds	0	0	0	0	0