

**COLORADO GENERAL ASSEMBLY**

**JOINT BUDGET COMMITTEE**



**FY 2007-08 SUPPLEMENTAL:**

**COMMON POLICIES**

**AND**

**DEPARTMENT OF**

**PERSONNEL AND ADMINISTRATION**

**PRIORITIZED AND NON-PRIORITIZED**

**REQUESTS**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
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January 21, 2008**

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**DEPARTMENT OF PERSONNEL AND ADMINISTRATION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>					
<b>Executive Director - Richard Gonzales</b>					
<b>Statewide Supplemental #1 - GGCC Supplemental and TMU Refinance (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Purchase of Services from Computer Center	<u>3,857,882</u>	<u>2,554,882</u>	<u>1,856,331</u>	<u>476,495</u>	<u>3,031,377</u>
General Fund	2,995,195	1,972,624	721,555	367,902	2,340,526
Cash Funds	0	0	7,240	0	0
Cash Funds Exempt	862,687	582,258	1,127,536	108,593	690,851
<i>(6) DIVISION OF INFORMATION TECHNOLOGY</i>					
<i>(H) Technology Management Unit</i>					
Personal Services	<u>2,763,739</u>	<u>2,916,378</u>	<u>0</u>	<u>0</u>	<u>2,916,378</u>
FTE	36.3	35.5	0.0	0.0	35.5
General Fund	2,763,739	2,916,378	(2,916,378)	0	2,916,378
Cash Funds Exempt	0	0	2,916,378	0	0
Operating Expenses	<u>295,842</u>	<u>497,376</u>	<u>0</u>	<u>0</u>	<u>497,376</u>
General Fund	295,842	497,376	(497,376)	0	497,376
Cash Funds Exempt	0	0	497,376	0	0
<b>Total for Supplemental #1</b>	<u>6,917,463</u>	<u>5,968,636</u>	<u>1,856,331</u>	<u>476,495</u>	<u>6,445,131</u>
FTE	<u>36.3</u>	<u>35.5</u>	<u>0.0</u>	<u>0.0</u>	<u>35.5</u>
General Fund	6,054,776	5,386,378	(2,692,199)	367,902	5,754,280
Cash Funds	0	0	7,240	0	0
Cash Funds Exempt	862,687	582,258	4,541,290	108,593	690,851

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Statewide Supplemental #2 - Capitol Complex Leased Space (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Capitol Complex Leased Space	<u>1,153,033</u>	<u>1,189,460</u>	<u>5,701</u>	<u>2,457</u>	<u>1,191,917</u>
General Fund	539,826	568,662	8,955	1,175	569,837
Cash Funds Exempt	613,207	620,798	(3,254)	1,282	622,080
<i>(4) CENTRAL SERVICES</i>					
<i>(D) Facilities Maintenance</i>					
<i>(1) Capitol Complex Facilities</i>					
Operating Expenses - CFE	1,606,275	1,637,466	85,000	0	1,637,466
Utilities - CFE	3,567,010	3,742,802	(85,000)	0	3,742,802
<b>Total for Supplemental #2</b>	<u>6,326,318</u>	<u>6,569,728</u>	<u>5,701</u>	<u>2,457</u>	<u>6,572,185</u>
General Fund	539,826	568,662	8,955	1,175	569,837
Cash Funds Exempt	5,786,492	6,001,066	(3,254)	1,282	6,002,348
<b>Statewide Supplemental #3 - Multiuse Network Payments Telecomm Truth-in-Rates (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Multiuse Network Payments - CFE	36,257	41,251	60,514	64,168	105,419
<i>(6) DIVISION OF INFORMATION TECHNOLOGY</i>					
<i>(E) Network Services</i>					
Operating Expenses	<u>12,787,016</u>	<u>16,200,371</u>	<u>0</u>	<u>0</u>	<u>16,200,371</u>
Cash Funds	1,522,249	1,864,215	0	0	1,864,215
Cash Funds Exempt	11,264,767	14,336,156	0	0	14,336,156

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Total for Supplemental #3</b>	<u>12,823,273</u>	<u>16,241,622</u>	<u>60,514</u>	<u>64,168</u>	<u>16,305,790</u>
Cash Funds	1,522,249	1,864,215	0	0	1,864,215
Cash Funds Exempt	11,301,024	14,377,407	60,514	64,168	14,441,575
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<b>Statewide Supplemental #4 - Communications Services Payments (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Communications Services Payments	<u>390</u>	<u>1,149</u>	<u>(300)</u>	<u>(316)</u>	<u>833</u>
General Fund	390	1,149	(300)	(316)	833
Cash Funds Exempt	0	0	0	0	0
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<b>Statewide Supplemental #5 - Administrative Law Judge Services (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Administrative Law Judge Services -CFE	582	428	1,958	2,083	2,511
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<b>Statewide Supplemental #6 - Risk Management and Workers' Compensation Adjustments (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Workers' Compensation	<u>235,128</u>	<u>391,999</u>	<u>(160,997)</u>	<u>(162,720)</u>	<u>229,279</u>
General Fund	60,484	100,837	(43,164)	(41,858)	58,979
Cash Funds	1,301	2,168	(937)	(900)	1,268
Cash Funds Exempt	173,343	288,994	(116,896)	(119,962)	169,032
Payment to Risk Management and Property Funds	<u>1,068,603</u>	<u>861,746</u>	<u>(210,590)</u>	<u>(300,854)</u>	<u>560,892</u>
General Fund	274,885	221,674	(59,059)	(77,391)	144,283
Cash Funds	5,910	4,766	(1,294)	(1,664)	3,102
Cash Funds Exempt	787,808	635,306	(150,237)	(221,799)	413,507

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(2) DIVISION OF HUMAN RESOURCES</i>					
<i>(C) Risk Management Services</i>					
Liability Premiums	<u>4,540,332</u>	<u>8,345,546</u>	<u>910,344</u>	<u>910,344</u>	<u>9,255,890</u>
Cash Funds	307,746	565,666	278,846	278,846	844,512
Cash Funds Exempt	4,232,586	7,779,880	631,498	631,498	8,411,378
Property Premiums	<u>6,556,767</u>	<u>8,585,311</u>	<u>628,913</u>	<u>628,913</u>	<u>9,214,224</u>
Cash Funds	502,785	658,338	2,687,996	2,687,996	3,346,334
Cash Funds Exempt	6,053,982	7,926,973	(2,059,083)	(2,059,083)	5,867,890
Workers' Compensation Premiums	<u>30,254,216</u>	<u>30,305,844</u>	<u>(498,246)</u>	<u>(498,246)</u>	<u>29,807,598</u>
Cash Funds	3,639,542	3,691,170	(560,128)	(560,128)	3,131,042
Cash Funds Exempt	26,614,674	26,614,674	61,882	61,882	26,676,556
<b>Total for Statewide Supplemental #6</b>	<u>42,655,046</u>	<u>48,490,446</u>	<u>669,424</u>	<u>577,437</u>	<u>49,067,883</u>
General Fund	335,369	322,511	(102,223)	(119,249)	203,262
Cash Funds	4,457,284	4,922,108	2,404,483	2,404,150	7,326,258
Cash Funds Exempt	37,862,393	43,245,827	(1,632,836)	(1,707,464)	41,538,363
<b>Statewide Supplemental #7 - Vehicle Lease Line Reconciliation (DPA Allocation)</b>					
<i>(1) EXECUTIVE DIRECTOR'S OFFICE</i>					
Vehicle Lease Payments	<u>124,538</u>	<u>160,341</u>	<u>(43,635)</u>	<u>(43,635)</u>	<u>116,706</u>
General Fund	174	2,910	0	(792)	2,118
Cash Funds Exempt	124,364	157,431	(43,635)	(42,843)	114,588
<i>(4) CENTRAL SERVICES</i>					

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(C) Fleet Management Program and Motor Pool Services</i>					
Vehicle Replacement Lease, Purchase or Lease/Purchase	<u>12,479,698</u>	<u>13,210,618</u>	<u>1,159,903</u>	<u>1,159,903</u>	<u>14,370,521</u>
Cash Funds	1,847,561	1,948,015	0	0	1,948,015
Cash Funds Exempt	10,632,137	11,262,603	1,159,903	1,159,903	12,422,506
<b>Total for Statewide Supplemental #7</b>	<u>12,604,236</u>	<u>13,370,959</u>	<u>1,116,268</u>	<u>1,116,268</u>	<u>14,487,227</u>
General Fund	174	2,910	0	(792)	2,118
Cash Funds	1,847,561	1,948,015	0	0	1,948,015
Cash Funds Exempt	10,756,501	11,420,034	1,116,268	1,117,060	12,537,094
<b>Supplemental #8 (DPA Supplemental #1) - Technical Corrections to S.B. 07-239</b>					
<i>(2) DIVISION OF HUMAN RESOURCES</i>					
<i>(B) Employees Benefits Services</i>					
Deferred Compensation Plan and Defined Contribution Plans Performance Audits - CFE	0	160,000	0	0	160,000
<i>(4) CENTRAL SERVICES</i>					
<i>(B) Integrated Document Factory</i>					
<i>(2) Document Solutions Group</i>					
Personal Services - CFE	2,703,278	2,628,267	140,788	140,788	2,769,055
FTE	45.4	60.0	0.0	0.0	60.0
<i>(5) FINANCE AND PROCUREMENT</i>					
<i>(A) State Controller's Office and Procurement Services</i>					

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Personal Services	2,916,277	3,012,116	0	0	3,012,116
FTE	<u>39.2</u>	<u>36.5</u>	<u>0.0</u>		<u>36.5</u>
General Fund	70,649	761,602	722,090	395,296	1,156,898
Cash Funds	409,082	0	0	0	0
Cash Funds Exempt	2,436,546	2,250,514	(722,090)	(395,296)	1,855,218
<b>Total for Supplemental #8 (DPA Supplemental #1)</b>	5,619,555	5,800,383	140,788	140,788	5,941,171
FTE	<u>84.6</u>	<u>96.5</u>	<u>0.0</u>	<u>0.0</u>	<u>96.5</u>
General Fund	70,649	761,602	722,090	395,296	1,156,898
Cash Funds	409,082	0	0	0	0
Cash Funds Exempt	5,139,824	5,038,781	(581,302)	(254,508)	4,784,273
<b>Supplemental #9 (DPA Supplemental #2) - State Archives Refinance</b>					
<i>(6) DIVISION OF INFORMATION TECHNOLOGY</i>					
<i>(G) Information and Archival Services</i>					
Personal Services	448,706	485,687	0	0	485,687
FTE	<u>8.0</u>	<u>9.0</u>	<u>0.0</u>	<u>0.0</u>	<u>9.0</u>
General Fund	351,462	362,965	33,185	0	362,965
Cash Funds	79,064	78,669	0	0	78,669
Cash Funds Exempt	18,180	44,053	(33,185)	0	44,053
<b>Supplemental #10 (DPA Supplemental #3) - CBI Grant Spending Authority</b>					
<i>(4) CENTRAL SERVICES</i>					
<i>(B) Integrated Document Factory</i>					
<i>(2) Document Solutions Group</i>					
Personal Services - CFE	2,703,278	2,628,267	274,560	274,560	2,902,827



	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
FTE	45.4	60.0	0.0	0.0	60.0
<b>Supplemental #11 (DPA Supplemental #4) - Operating Expenses for the State Fleet Program</b>					
<i>(4) CENTRAL SERVICES</i>					
<i>(C) Fleet Management Program and Motor Pool Services</i>					
Operating Expenses - CFE	17,746,418	18,515,691	2,402,649	2,402,649	20,918,340
<b>Supplemental #12 (DPA Supplemental #5) - Training Services Refinance</b>					
<i>(2) DIVISION OF HUMAN RESOURCES</i>					
<i>(2) Training Services</i>					
Personal Services	42,942	61,811	0	0	61,811
FTE	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
Cash Funds	25,572	25,444	27,601	0	25,444
Cash Funds Exempt	17,370	36,367	(27,601)	0	36,367
Operating Expenses	<u>12,880</u>	<u>17,169</u>	<u>0</u>	<u>0</u>	<u>17,169</u>
Cash Funds	0	0	17,169	0	0
Cash Funds Exempt	12,880	17,169	(17,169)	0	17,169

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Total for Supplemental #12 (DPA Supplemental #5)</b>	55,822	78,980	0	0	78,980
FTE	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
Cash Funds	25,572	25,444	44,770	0	25,444
Cash Funds Exempt	30,250	53,536	(44,770)	0	53,536
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<b>Supplemental #13 (DPA Supplemental #6) - Green Fleet Coordinator</b>					
Personal Services - CFE	777,713	799,562	12,481	0	799,562
FTE	14.9	16.0	0.3	0.0	16.0
Operating Expenses - CFE	17,746,418	18,515,691	3,693	0	18,515,691
<b>Total for Supplemental #13 (DPA Supplemental #6)</b>					
Cash Funds Exempt	18,524,131	19,315,253	16,174	0	19,315,253
FTE	14.9	16.0	0.3	0.0	16.0
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<b>Supplemental #14 (DPA Non-Prioritized Supplemental #1) - State Fleet Management Corresponding Spending Authority for Department of Human Services Supplemental #S-1 - Staff and Operating Funding to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community</b>					
<i>(4) CENTRAL SERVICES</i>					
<i>(C) Fleet Management Program and Motor Pool Services</i>					

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Vehicle Replacement Lease, Purchase or Lease/Purchase	<u>12,479,698</u>	<u>13,210,618</u>	<u>2,796</u>	<u>0</u>	<u>13,210,618</u>
Cash Funds	1,847,561	1,948,015	0		1,948,015
Cash Funds Exempt	10,632,137	11,262,603	2,796		11,262,603
				<b>Pending</b>	
<b>Supplemental #15 (DPA Non-Prioritized Supplemental #2) - CDLE Unemployment Insurance Mail Reimbursements</b>					
<i>(4) CENTRAL SERVICES</i>					
<i>(B) Integrated Document Factory</i>					
<i>(3) Mail Services</i>					
Operating Expenses	<u>5,836,180</u>	<u>6,788,394</u>	<u>950,067</u>	<u>950,067</u>	<u>7,738,461</u>
Cash Funds	555,400	697,515	0	0	697,515
Cash Funds Exempt	5,280,780	6,090,879	950,067	950,067	7,040,946
<b>DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>					
TOTALS for ALL Departmental line items	160,021,031	176,680,095	7,496,930	6,006,656	182,686,751
FTE	<u>514.8</u>	<u>567.2</u>	<u>0.3</u>	<u>0.0</u>	<u>567.2</u>
General Fund	9,358,613	10,776,579	(2,030,492)	644,016	11,420,595
Cash Funds	11,476,720	12,272,608	2,456,493	2,404,150	14,676,758
Cash Funds Exempt	139,011,923	153,509,908	7,070,929	2,958,490	156,468,398
Federal Funds	173,775	121,000	0	0	121,000

Key:

"N.A." = Not Applicable

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Statewide Supplemental #1 - GGCC Supplemental and Technology Management Unit Refinance  
 ( DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$1,856,331</u>	<u>\$476,495</u>
General Fund	(2,692,199)	367,902
Cash Funds	7,240	0
Cash Funds Exempt	4,541,290	108,593

**Statewide adjustments to billings.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$3,213,009</u>	<u>(\$194,514)</u>
General Fund	1,501,987	398,084
Cash Funds	543,974	142,838
Cash Funds Exempt	1,417,650	(187,589)
Federal Funds	(250,602)	(547,847)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>Yes</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff believes that part of request meets supplemental criteria, however, the TMU refinance request does not meet supplemental criteria.	

**Department Request:** This supplemental request is for a statewide increase in appropriations related to departmental usage of the Department of Personnel and Administration's Computer Center (also known as the General Government Computer Center or GGCC). The Department of Personnel is requesting an increase of \$1,856,331 including a reduction of \$2,692,199 General Fund. On a statewide basis, supplemental adjustment requests are for a total of \$3,213,009 including \$1,501,987 General Fund.

The request includes four components. First, this supplemental request is the result of a billing methodology first implemented for FY 2001-02. For FY 2007-08, actual usage for FY 2005-06 was used as an estimate for FY 2007-08 figure setting because data from FY 2006-07 was not yet available. The request realigns all department appropriations for Purchase of Services from Computer Center based upon updated utilization data for FY 2006-07. Second, the request includes a component that provides for an update to the total recoverable

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program costs. Third, the request addresses concerns from federal auditors related to the distribution of prior year over and under collections by agency and by service for FY 2006-07. During the FY 2006-07 supplemental the Department submitted and the Committee approved a similar retroactive adjustment for over and under collections from agencies. Finally, the fourth adjustment refinances the Technology Management Unit in the Division of Information Technology.

**Budget to Actual Adjustment Request:** Starting at the end of FY 2003-04 through the end of FY 2004-05, the Department implemented a process to refine the Data Center rates. One of the primary reasons for initiating a "rate refresh" project was to ensure accuracy with regard to utilization data. Utilization data combined with recoverable costs are a substantial determining factor in the cost allocation model, and resulting appropriations and billings to State departments. This is a concern with regard to federal auditors, who review all aspects of the cost allocation model to ensure that there is no inappropriate cross-subsidization, especially relating to federally funded agencies.

The new methodology was approved by the federal Division of Cost Allocation (DCA) and was utilized during FY 2006-07 statewide supplemental and FY 2007-08 figure setting. This new methodology gave the Department the ability to capture utilization levels and associated costs by individual service, rather than in aggregate as in the past. Ultimately, all activities performed at the Data Center were assigned/distributed to applicable services. This step included 11 primary activities that are identified below:

- Administer Business;
- Provide Administrative Support;
- Develop Offerings;
- Administer Software;
- Support Hardware;
- Support Operational Computing Infrastructure;
- Operate Computing Facility;
- Assist Mainframe Customers;
- Assist Non-Mainframe Customers;
- Administer Applications;
- Provide Consulting.

The major finding of the new methodology was that the Department was coding certain items as part of the Data Center "infrastructure" or to specific customer agencies that instead should have been billed to the Department of Personnel and Administration.

Based upon Department negotiations with the DCA, the Department has informed staff that it will continue to request such adjustments (referred to by DCA as a budget to actual or variance adjustments) as part of the supplemental request, but that it will only be associated with the most recently completed fiscal year.

**Refinance the Technology Management Unit:** The TMU supports all software applications that are used

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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 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 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.

**Analysis:** The Department submits this supplemental every year. Staff has recommended in the past adjusting billings to departments based on the prior year actual data as well as providing for an update to recoverable costs. However, staff has disagreed with the Department on what costs can be adjusted during supplementals and what costs should be adjusted during figure setting. In this case staff does not believe that depreciation and overhead costs should be adjusted mid-year.

Regarding the prior year adjustments for over and under billings, staff was provided a letter dated September 27, 2006, in which the Department had entered into an agreement with the Department of Health and Human Services to include a prior year adjustment for over and under billings.

Regarding the TMU refinance, staff notes that it does not meet supplemental criteria. What the Department is proposing is a major policy change that does not present new information and should be properly discussed and analyzed during the figure setting process. In addition, the first year General Fund “saving” disappears in following years as the Statewide Indirect Cost Plan will be reduced by the same amount as this function will begin to bill directly for its services. In addition, upon staff request the Department provided an analysis that shows that the Net General Fund “saving” in out years is estimated to be \$142,215.

The table below summarizes the FY 2007-08 statewide supplemental request for GGCC:

FY 2007-08 Supplemental Request for Purchase of Services from Computer Center line items					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	\$19,060	\$0	\$0	\$0	\$19,060
Corrections	155,043	0	0	0	155,043
Education	31,037	0	0	0	31,037
Governor	(17,894)	0	0	0	(17,894)
HCPF	48,473	0	0	48,472	96,945
Higher Education	0	(20,147)	128,403	0	108,256

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<b>FY 2007-08 Supplemental Request for Purchase of Services from Computer Center line items</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Human Services	(305,387)	(949)	(478)	(392,985)	(699,799)
Judicial	119,916	0	0	0	119,916
Labor	0	114,017	19,154	119,862	253,033
Law	20,238	0	4,519	0	24,757
Legislature	34,594	0	0	0	34,594
Local Affairs	31,597	0	0	0	31,597
Military Affairs	7,994	0	0	0	7,994
Natural Resources	5,623	399,420	0	0	405,043
Personnel	721,555	7,240	1,127,536	0	1,856,331
Public Health	0	(4,421)	(161,858)	(25,951)	(192,230)
Public Safety	0	0	(152,455)	0	(152,455)
Reg Agencies	94	8,484	629	0	9,207
Revenue	615,072	0	616	0	615,688
State	0	56,310	0	0	56,310
Treasury	<u>14,972</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,972</u>
<b>Subtotal - Appropriated</b>	<b>\$1,501,987</b>	<b>\$559,954</b>	<b>\$966,066</b>	<b>(\$250,602)</b>	<b>\$2,777,405</b>
Higher Education	0	(16,145)	328,248	0	312,103
Local Gov't	0	165	0	0	165
Transportation	<u>0</u>	<u>0</u>	<u>123,336</u>	<u>0</u>	<u>123,336</u>
<b>Subtotal - Non Appropriated</b>	<b>0</b>	<b>(15,980)</b>	<b>451,584</b>	<b>0</b>	<b>435,604</b>
<b>TOTAL</b>	<b>\$1,501,987</b>	<b>\$543,974</b>	<b>\$1,417,650</b>	<b>(\$250,602)</b>	<b>\$3,213,009</b>

The table below shows FY 2007-08 appropriations as set during figure setting:

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<b>FY 2007-08 Figure Setting for Purchase of Services from Computer Center</b>			
Department	FY 2005-06 Utilization Rates (in percentages)	FY 2007-08 Appropriations	General Fund Portion of Appropriations
Agriculture	0.008	\$941	\$941
Corrections	0.100	12,160	12,160
Education	0.051	6,282	6,282
Governor	0.580	70,921	70,921
HCPF	0.152	18,516	7,590
Higher Education	0.255	31,214	0
Human Services	38.354	4,687,376	2,045,534
Judicial	1.258	153,698	153,698
Labor	7.678	938,416	0
Law	0.358	43,802	0
Legislature	0.259	31,654	31,654
Local Affairs	0.025	2,994	2,994
Military Affairs	0.006	770	770
Natural Resources	2.956	361,207	5,015
Personnel	20.905	2,554,882	1,972,624
Public Health	3.614	441,661	0
Public Safety	0.885	108,160	0
Reg Agencies	0.164	20,019	206
Revenue	22.076	2,698,057	2,695,359
State	0.005	611	0
Treasury	<u>0.044</u>	<u>5,414</u>	<u>5,414</u>
<b>Subtotal - Appropriated</b>	<b>99.73</b>	<b>\$12,188,755</b>	<b>\$7,011,162</b>
Higher Education	0.132	16,145	0
Local Gov't	0.029	3,593	0
Transportation	<u>0.107</u>	<u>13,016</u>	<u>0</u>



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<b>FY 2007-08 Figure Setting for Purchase of Services from Computer Center</b>			
Department	FY 2005-06 Utilization Rates (in percentages)	FY 2007-08 Appropriations	General Fund Portion of Appropriations
<b>Subtotal - Non Appropriated</b>	<b>0.27</b>	<b>32,754</b>	<b>0</b>
<b>TOTAL</b>	<b>100.00</b>	<b>\$12,221,509</b>	<b>\$7,011,162</b>

The FY 2007-08 department appropriations based on the table above resulted in total appropriations of \$12.2 million, including \$7.0 million General Fund.

The table below presents an analysis of the Department's FY 2007-08 supplemental request including the refinance portion for the Division of Information Technology, Technology Management Unit:

<b>FY 2007-08 Supplemental Request Calculation for Purchase of Services from Computer Center</b>					
Department	FY 2006-07 Actual Utilization Rates (in percentages)	FY 2007-08 Sub- Total Based on FY 07 Utilization	FY 07 Budget to Actual Adjustments	FY 08 TMU Refinance	FY 2007-08 Supplemental Allocations Request
Agriculture	0.006	\$787	(\$143)	\$19,357	\$20,001
Corrections	0.085	10,410	(1,592)	158,385	167,203
Education	0.028	3,392	(2,744)	36,671	37,319
Governor	0.459	56,425	(13,456)	10,058	53,027
HCPF	0.140	17,145	(1,171)	99,487	115,461
Higher Education	0.620	76,225	43,872	19,373	139,470
Human Services	35.807	4,400,853	(676,367)	263,091	3,987,577
Judicial	1.122	137,923	(14,014)	149,705	273,614
Labor	8.144	1,000,904	68,317	122,229	1,191,450
Law	0.374	46,003	2,496	20,060	68,559
Legislature	0.283	34,806	3,319	28,123	66,248
Local Affairs	0.022	2,692	(272)	32,171	34,591

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<b>FY 2007-08 Supplemental Request Calculation for Purchase of Services from Computer Center</b>					
Department	FY 2006-07 Actual Utilization Rates (in percentages)	FY 2007-08 Sub- Total Based on FY 07 Utilization	FY 07 Budget to Actual Adjustments	FY 08 TMU Refinance	FY 2007-08 Supplemental Allocations Request
Military Affairs	0.005	651	(108)	8,221	8,764
Natural Resources	3.201	393,440	34,230	338,580	766,250
Personnel	22.760	2,797,303	256,042	1,357,869	4,411,214
Public Health	2.237	274,973	(157,868)	132,326	249,431
Public Safety	0.030	3,626	(100,397)	52,476	(44,295)
Reg Agencies	0.055	6,772	(12,668)	35,122	29,226
Revenue	24.148	2,967,832	283,750	62,164	3,313,746
State	0.131	16,150	15,068	25,703	56,921
Treasury	<u>0.042</u>	<u>5,150</u>	<u>(213)</u>	<u>15,449</u>	<u>20,386</u>
<b>Subtotal - Appropriated</b>	<b>99.70</b>	<b>\$12,253,462</b>	<b>(\$273,919)</b>	<b>\$2,986,620</b>	<b>\$14,966,163</b>
Higher Education	0.098	11,995	(3,884)	320,137	328,248
Local Gov't	0.030	3,663	95	0	3,758
Transportation	<u>0.173</u>	<u>21,262</u>	<u>8,094</u>	<u>106,996</u>	<u>136,352</u>
<b>Subtotal - Non Appropriated</b>	<b>0.30</b>	<b>36,920</b>	<b>4,305</b>	<b>427,133</b>	<b>468,358</b>
<b>TOTAL</b>	<b>100.00</b>	<b>\$12,290,382</b>	<b>(\$269,614)</b>	<b>\$3,413,753</b>	<b>\$15,434,521</b>

The table below shows the staff calculation for the total supplemental appropriation for FY 2007-08:

<b>FY 2007-08 Staff Recommendation for Supplemental Calculation for Purchase of Services from Computer Center</b>				
Department	FY 2006-07 Actual Utilization Rates (in percentages)	FY 2007-08 Sub- Total Based on FY 07 Utilization	FY 07 Budget to Actual Adjustments	FY 2007-08 Supplemental Allocations Staff Recommendation
Agriculture	0.006	\$780	(\$143)	\$637
Corrections	0.085	10,328	(1,592)	8,736
Education	0.028	3,366	(2,744)	622

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<b>FY 2007-08 Staff Recommendation for Supplemental Calculation for Purchase of Services from Computer Center</b>				
Department	FY 2006-07 Actual Utilization Rates (in percentages)	FY 2007-08 Sub- Total Based on FY 07 Utilization	FY 07 Budget to Actual Adjustments	FY 2007-08 Supplemental Allocations Staff Recommendation
Governor	0.459	55,982	(13,456)	42,526
HCPF	0.140	17,010	(1,171)	15,839
Higher Education	0.620	75,626	43,872	119,498
Human Services	35.807	4,366,292	(676,367)	3,689,925
Judicial	1.122	136,840	(14,014)	122,826
Labor	8.144	993,044	68,317	1,061,361
Law	0.374	45,642	2,496	48,138
Legislature	0.283	34,533	3,319	37,852
Local Affairs	0.022	2,670	(272)	2,398
Military Affairs	0.005	646	(108)	538
Natural Resources	3.201	390,350	34,230	424,580
Personnel	22.760	2,775,335	256,042	3,031,377
Public Health	2.237	272,813	(157,868)	114,945
Public Safety	0.030	3,597	(100,397)	0
Reg Agencies	0.055	6,719	(12,668)	0
Revenue	24.148	2,944,525	283,750	3,228,275
State	0.131	16,023	15,068	31,091
Treasury	<u>0.042</u>	<u>5,109</u>	<u>(213)</u>	<u>4,896</u>
<b>Subtotal - Appropriated</b>	<b>99.70</b>	<b>\$12,157,230</b>	<b>(\$273,919)</b>	<b>\$11,986,060</b>
Higher Education	0.098	11,901	(3,884)	8,017
Local Gov't	0.030	3,634	95	3,729
Transportation	<u>0.173</u>	<u>21,095</u>	<u>8,094</u>	<u>29,189</u>
<b>Subtotal - Non Appropriated</b>	<b>0.30</b>	<b>36,630</b>	<b>4,305</b>	<b>40,935</b>

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<b>FY 2007-08 Staff Recommendation for Supplemental Calculation for Purchase of Services from Computer Center</b>				
Department	FY 2006-07 Actual Utilization Rates (in percentages)	FY 2007-08 Sub-Total Based on FY 07 Utilization	FY 07 Budget to Actual Adjustments	FY 2007-08 Supplemental Allocations Staff Recommendation
<b>TOTAL</b>	<b>100.00</b>	<b>\$12,193,860</b>	<b>(\$269,614)</b>	<b>\$12,026,995</b>

Based on the calculation above, the table below presents the FY 2007-08 JBC Staff supplemental appropriation adjustments recommendation for Departments' Purchase of Services from Computer Center line items:

<b>FY 2007-08 JBC Staff Supplemental Adjustment Recommendation for Departments' Purchase of Services from Computer Center line items</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	(\$304)	\$0	\$0	\$0	(\$304)
Corrections	(3,424)	0	0	0	(3,424)
Education	(5,660)	0	0	0	(5,660)
Governor	(28,395)	0	0	0	(28,395)
HCPF	(1,097)	0	(482)	(1,097)	(2,676)
Higher Education	0	75,141	13,143	0	88,284
Human Services	(435,280)	(1,352)	(682)	(560,138)	(997,452)
Judicial	(30,872)	0	0	0	(30,872)
Labor	0	55,399	9,344	58,202	122,945
Law	0	0	4,336	0	4,336
Legislature	6,198	0	0	0	6,198
Local Affairs	(596)	0	0	0	(596)
Military Affairs	(232)	0	0	0	(232)
Natural Resources	880	62,493	0	0	63,373
Personnel	367,902	0	108,593	0	476,495
Public Health	0	(52,885)	(229,017)	(44,814)	(326,716)
Public Safety	0	0	(108,160)	0	(108,160)

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<b>FY 2007-08 JBC Staff Supplemental Adjustment Recommendation for Departments' Purchase of Services from Computer Center line items</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Reg Agencies	(206)	(18,446)	(1,367)	0	(20,019)
Revenue	529,688	0	530	0	530,218
State	0	30,480	0	0	30,480
Treasury	<u>(518)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(518)</u>
<b>Subtotal - Appropriated</b>	<b>\$398,084</b>	<b>\$150,830</b>	<b>(\$203,762)</b>	<b>(\$547,847)</b>	<b>(\$202,695)</b>
Higher Education	0	(8,128)	0	0	(8,128)
Local Gov't	0	136	0	0	136
Transportation	<u>0</u>	<u>0</u>	<u>16,173</u>	<u>0</u>	<u>16,173</u>
<b>Subtotal - Non Appropriated</b>	<b>0</b>	<b>(7,992)</b>	<b>16,173</b>	<b>0</b>	<b>8,181</b>
<b>TOTAL</b>	<b>\$398,084</b>	<b>\$142,838</b>	<b>(\$187,589)</b>	<b>(\$547,847)</b>	<b>(\$194,514)</b>

The table below shows what the fund splits for staff recommendation would have been if staff had used the Departments' supplemental request fund splits:

<b>FY 2007-08 JBC Staff Recommendation for Departments' Purchase of Services from Computer Center line items Using Departments' Supplemental Requests Fund Splits</b>				
General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
(\$75,601)	\$55,891	\$371,584	(\$546,388)	(\$194,514)

**Staff Recommendation:**

**Staff recommends that the committee does not approve the Department's request.**

**Staff recommends that department total appropriations be adjusted according to the FY 2007-08 JBC Staff Supplemental Appropriations Recommendation table above.**

**Staff's recommendation is based on updated utilization information including updated recoverable**

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costs (except for depreciation, overhead, and Capitol Complex Lease), as well as FY 07 adjustments for over and under billings. Staff does not recommend refinancing the Technology Management Unit through a supplemental mid-year adjustment.

Staff's recommendation adjusts FY 08 appropriations fund splits proportionate to the FY 08 Long Bill appropriations fund splits.

**Statewide Supplemental #2 - Capitol Complex Leased Space**

Department of Personnel and Administration share of Supplemental request.

	Request	Recommendation
Total	<u>\$5,701</u>	<u>\$2,457</u>
General Fund	8,955	1,175
Cash Funds Exempt	(3,254)	1,282

Statewide adjustments to billings.

	Request	Recommendation
Total	<u>\$152,827</u>	<u>(\$2,440)</u>
General Fund	133,328	13,965
Cash Funds	14,446	1,159
Cash Funds Exempt	(4,244)	(15,302)
Federal Funds	9,297	(2,262)

<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 the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This statewide request is for an increase of \$152,827, including \$133,328 General Fund, to adjust appropriations in various user agencies' Leased Space Line Item. The DPA share of the statewide request is for an increase of \$8,955 General Fund and a decrease of \$3,254 cash funds exempt.

Total costs for the Capitol Complex Leased Space program, as calculated by staff during FY 2008 figure setting was \$11,157,992, including \$5,787,231 General Fund.

The Department is reporting that during the current budget cycle, no tenant agency changes have occurred that

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require updates to the square footage used in figure setting. The Department also estimates that the calculated rates for utilities are estimated to be sufficient to cover the projected need.

The Department is requesting to increase the calculated depreciation related to the energy performance contract with Chevron Energy Solutions by \$89,000. As a background, staff notes that the Department initially requested that this new component be added to the recoverable costs allocation starting with the FY 07 supplemental request. The Committee denied the Department's request at that time. However, the Committee approved the inclusion of the energy performance contract depreciation as part of FY 2008 figure setting. Staff does not believe that adjusting the calculated depreciation through the supplemental process meets supplemental criteria, and that any adjustment should occur during the figure setting process.

The Department's analysis for including the depreciation cost as part of recoverable costs is that it is the only way for the Department to recover costs from federally funded programs. The Department explains that depreciation expense is a method for allocating an asset already purchased to the accounting periods in which it provides benefit. The Department states that there are costs which are not allowable as charges to federal grants and contracts. These include, but are not limited to, interest paid to the state's treasury, fines, and capital outlay. Capital outlay, meaning the purchase of a capitalized asset, cannot be directly charged to any federal program. However, the depreciation of that asset can be recovered from federal programs through annual depreciation expense as is specifically allowed by OMB A-87.

The Department is also requesting to move spending authority in the amount of \$85,000 between its utilities and operating lines within Capitol Complex. The Department states that these funds are related to the energy performance contract and are used to purchase items such as filters, chemicals, and light bulbs/fixtures that more appropriately reside in the operating expenses line item. Staff does not believe this request meets supplemental criteria.

The table below displays department requests based on the Department's calculation of updated recoverable costs for Capitol Complex Leased Space:

<b>FY 2007-08 Capitol Complex Leased Space Supplemental Change Requests</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>Total</b>
Agriculture	\$2,161	\$488	\$0	\$0	\$2,649
Corrections	54,976	0	(20,041)	0	34,935
Education	2,620	950	606	4,509	8,685
Governor	4,135	0	0	0	4,135
HCPF	3,080	0	0	3,079	6,159
Higher Education	0	1,090	0	0	1,090

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Human Services	9,949	0	0	9,949	19,898
Labor	0	(559)	(94)	(586)	(1,239)
Law	5,656	1,262	10,732	416	18,066
Legislature	21,886	0	0	0	21,886
Local Affairs	5,520	393	866	959	7,738
Military Affairs	10,786	0	0	(10,663)	123
Natural Resources	3,795	6,259	1,819	1,634	13,507
Personnel	8,955	0	(3,254)	0	5,701
Public Health	0	0	685	0	685
Public Safety	8,686	59	9,931	0	18,676
Regulatory Agencies	0	28	0	0	28
Revenue	(9,732)	2,668	(7,205)	0	(14,269)
Transportation	0	0	1,711	0	1,711
Treasury	855	0	0	0	855
Annex-Life/Safety	<u>0</u>	<u>1,808</u>	<u>0</u>	<u>0</u>	<u>1,808</u>
<b>Total</b>	<b>\$133,328</b>	<b>\$14,446</b>	<b>(\$4,244)</b>	<b>\$9,297</b>	<b>\$152,827</b>

The table below presents the staff recommendation for adjustments to Departments' appropriations for Capitol Complex Leased Space:

<b>FY 2007-08 Capitol Complex Leased Space Staff Recommendation</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>Total</b>
Agriculture	\$255	\$57	\$0	\$0	\$312
Corrections	11,750	0	9,154	0	20,904
Education	308	112	71	531	1,022
Governor	486	0	0	0	486
HCPF	363	0	0	362	725
Higher Education	0	(388)	0	0	(388)
Human Services	1,203	0	0	1,203	2,406
Labor	0	50	8	53	111



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Law	670	153	1,242	61	2,126
Legislature	2,574	0	0	0	2,574
Local Affairs	(1,707)	(86)	(306)	(256)	(2,355)
Military Affairs	(6,693)	0	0	(4,408)	(11,101)
Natural Resources	446	736	214	192	1,588
Personnel	1,175	0	1,282	0	2,457
Public Health	0	0	165	0	165
Public Safety	0	(78)	(23,535)	0	(23,613)
Regulatory Agencies	0	7	0	0	7
Revenue	3,035	384	489	0	3,908
Transportation	0	0	(4,086)	0	(4,086)
Treasury	100	0	0	0	100
Annex-Life/Safety	<u>0</u>	<u>212</u>	<u>0</u>	<u>0</u>	<u>212</u>
<b>Total</b>	<b>\$13,965</b>	<b>\$1,159</b>	<b>(\$15,302)</b>	<b>(\$2,262)</b>	<b>(\$2,440)</b>

The table below shows what the fund splits for staff recommendation would have been if staff had used the Departments' supplemental request fund splits:

FY 2007-08 JBC Staff Recommendation for Departments' Capitol Complex Leased Space line items Using Departments' Supplemental Requests Fund Splits				
General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
\$71,517	\$5,342	(\$67,819)	(\$11,480)	(\$2,440)

**Staff Recommendation:**

**Staff recommends the Committee approve the staff recommendation for adjustments agencies' Capitol Complex Leased Space line items totaling (\$2,440) including an increase of \$13,965 General Fund.**

**Statewide Supplemental #3 - Multiuse Network Payments Telecomm Truth-in-Rates (DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

	Request	Recommendation
Total	<u>\$60,514</u>	<u>\$64,168</u>

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	<b>Request</b>	<b>Recommendation</b>
Cash Funds	0	0
Cash Funds Exempt	60,514	64,168

**Statewide adjustments to billings.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$73)</u>	<u>(\$73)</u>
General Fund	177,259	(41,662)
Cash Funds	(1,136,781)	(1,076,405)
Cash Funds Exempt	964,871	1,307,598
Federal Funds	(5,422)	(189,604)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This statewide supplemental request is for a decrease of (\$73) in overall billings to departments, including an increase of \$177,259 General Fund. The Department of Personnel and Administration's portion of this request is for an increase of \$60,514 cash funds exempt (transfers from other state agencies) to its multiuse network payments line. The Department is not requesting an adjustment to the operating expenses line item of its Network Services program.

The requested changes are the result of several technical corrections and adjustments to the current fiscal year appropriations to State agencies for MNT in order to realign allocations statewide to reflect updated circuit inventories.

Below is the statewide request:

<b>FY 2007-08 Request for Multiuse Network Adjustments</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	(\$16,042)	\$0	\$0	\$0	(\$16,042)
Corrections	116,398	0	6,606	0	123,004
Education	1,411	0	0	0	1,411
Governor	(30,385)	0	0	0	(30,385)

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<b>FY 2007-08 Request for Multiuse Network Adjustments</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>TOTAL</b>
Human Services	101,143	1,658	13,265	49,742	165,808
Judicial	(19,267)	0	0	0	(19,267)
Labor	0	(6,950)	(459)	(7,409)	(14,818)
Local Affairs	(9,527)	(688)	(1,331)	(5,427)	(16,973)
Military Affairs	21,816	0	0	0	21,816
Natural Resources	22,700	50,125	8,178	217	81,220
Personnel*	0	0	60,514	0	60,514
Public Health	0	0	(39,410)	(42,545)	(81,955)
Public Safety	188,805	0	0	0	188,805
Revenue**	(199,793)	4,314	612,766	0	417,287
State***	0	(1,185,240)	0	0	(1,185,240)
<b>Subtotal - Appropriated</b>	<b>\$177,259</b>	<b>(\$1,136,781)</b>	<b>\$660,129</b>	<b>(\$5,422)</b>	<b>(\$304,815)</b>
Transportation	<u>0</u>	<u>0</u>	<u>304,742</u>	<u>0</u>	<u>304,742</u>
<b>Subtotal - Non Appropriated</b>	<b>0</b>	<b>0</b>	<b>304,742</b>	<b>0</b>	<b>304,742</b>
<b>TOTAL</b>	<b>\$177,259</b>	<b>(\$1,136,781)</b>	<b>\$964,871</b>	<b>(\$5,422)</b>	<b>(\$73)</b>

\* DPA increase reflects continued server aggregation at 690 Kipling Street related to the continuing need to increase systemwide bandwidth.

\*\* DOR is migrating several county circuits from 64k to T-1, during this time the both connections must be provided.

\*\*\* The Department of State decrease reflects an inaccurate projection by the Department of Personnel for an increase in network capacity required to support HAVA circuits.

**Major Department Changes**

- The Secretary of State has experienced by far the largest decrease to its MNT allocation. State's FY 2007-08 appropriation for MNT was \$1.7 million. This decrease reflects an inaccurate projection by the Department of Personnel for an increase in network capacity required to support HAVA circuits during the FY 2008 figure setting process. Since that time, the Department has adjusted its projection down by approximately \$1.2 million.
- The Department of Revenue continues to require additional circuits and circuit bandwidth in support of statewide operations. This is reflective of the increase in allocations by \$417,287. Revenue has continued to upsize critical circuits, including migration of several county circuits from 64k to T-1.

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- The request includes an increase of \$60,514 for the Department of Personnel and Administration's customer share of the recoverable MNT costs and associated billings. This increase is due to server aggregation at 690 Kipling Street where the State Data Center is located.

<b>MNT Recoverable Costs for FY 2007-08 Supplemental</b>			
	FY 2007-08 Figure Setting	FY 2007-08 Supplemental	Difference
Operating Expenses			
Existing MNT Circuits	8,787,000	8,787,000	0
ANAP Fees	365,004	365,004	0
Non-Qwest Aggregation costs	780,000	780,000	0
Network Monitoring	396,000	396,000	0
Equipment Maintenance	500,000	500,000	0
LATA Crossing	156,000	156,000	0
Front Range Gigapop	120,000	120,000	0
Personal Services	815,398	815,398	0
POTS	164,478	164,478	0
Indirect Cost Assessment	25,776	25,776	0
Overhead	429,026	428,953	(73)
<b>Total MNT Program Costs</b>	<b>\$12,538,682</b>	<b>\$12,538,609</b>	<b>(\$73)</b>
Amount from NSA	(1,080,000)	(1,080,000)	0
<b>Amount from State Agencies</b>	<b>\$11,458,682</b>	<b>\$11,458,609</b>	<b>(\$73)</b>

The table below presents the staff recommendation for adjustments to Departments' appropriations for Multiuse Network Payments:

<b>FY 2007-08 Staff Recommendation for Multiuse Network Adjustments</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	(\$16,042)	\$0	\$0	\$0	(\$16,042)
Corrections	156,788	0	8,897	0	165,685
Education	2,635	0	0	0	2,635

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<b>FY 2007-08 Staff Recommendation for Multiuse Network Adjustments</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>TOTAL</b>
Governor	(29,792)	0	0	0	(29,792)
Human Services	148,944	2,442	19,534	73,251	244,171
Judicial	(691)	0	0	0	(691)
Labor	0	(5,763)	(368)	(6,130)	(12,261)
Local Affairs	(8,233)	(595)	(1,150)	(4,690)	(14,668)
Military Affairs	(146,188)	0	0	(224,271)	(370,459)
Natural Resources	28,613	86,500	1,799	647	117,559
Personnel*	0	0	64,168	0	64,168
Public Health	0	0	(51,457)	(28,411)	(79,868)
Public Safety	0	0	229,853	0	229,853
Revenue**	(177,696)	6,820	679,967	0	509,091
State***	0	(1,165,809)	0	0	(1,165,809)
<b>Subtotal - Appropriated</b>	<b>(\$41,662)</b>	<b>(\$1,076,405)</b>	<b>\$951,243</b>	<b>(\$189,604)</b>	<b>(\$356,428)</b>
Transportation	<u>0</u>	<u>0</u>	<u>356,355</u>	<u>0</u>	<u>356,355</u>
<b>Subtotal - Non Appropriated</b>	<b>0</b>	<b>0</b>	<b>356,355</b>	<b>0</b>	<b>356,355</b>
<b>TOTAL</b>	<b>(\$41,662)</b>	<b>(\$1,076,405)</b>	<b>\$1,307,598</b>	<b>(\$189,604)</b>	<b>(\$73)</b>

**Staff Recommendation:**

**Staff recommends the Committee approve staff's recommendation for MNT adjustments presented in the table above based on updated FY 2007 actual allocation information. Staff calculated the adjustments above using a proportional adjustment based on the FY 2007 initial appropriations to Departments. Staff notes that the Department is not requesting an adjustment to its operating expenses line item.**

**Statewide Supplemental #4 - Communications Services Payments (DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

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	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$300)</u>	<u>(\$316)</u>
General Fund	(300)	(316)
Cash Funds Exempt	0	0

**Statewide adjustments to billings.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$18,319)</u>	<u>(\$105,289)</u>
General Fund	62,364	31,192
Cash Funds	23,098	3,873
Cash Funds Exempt	(104,801)	(141,044)
Federal Funds	1,020	690

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This statewide supplemental request is for an increase of \$223,116 in appropriations to the Communications Services line item in all departments participating in the program. The Department's share of the request includes an increase of \$1,151 General Fund and a decrease of \$5,196 cash funds exempt.

<b>FY 2007-08 Communications Services Supplemental Requests</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>Total</b>
Agriculture	(\$133)	\$0	(\$74)	\$0	(\$207)
Corrections	55,620	0	0	0	55,620
Education	(3,446)	0	0	0	(3,446)
Higher Education	0	(102)	0	0	(102)
Human Services	13,675	0	2,413	0	16,088
Judicial	(153)	0	0	0	(153)
Labor	0	122	21	128	271
Law	0	0	0	(87)	(87)
Local Affairs	2,390	0	0	2,390	4,780

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Military Affairs	(158)	0	0	0	(158)
Natural Resources	8,587	30,118	(287)	0	38,418
Personnel	(300)	0	0	0	(300)
Public Health	0	0	(96)	0	(96)
Public Safety	(5,668)	(3,888)	(179,057)	(1,411)	(190,024)
Revenue	(8,050)	(3,152)	261	0	(10,941)
Transportation	<u>0</u>	<u>0</u>	<u>72,018</u>	<u>0</u>	<u>72,018</u>
<b>Total</b>	<b>\$62,364</b>	<b>\$23,098</b>	<b>(\$104,801)</b>	<b>\$1,020</b>	<b>(\$18,319)</b>

The Department's request is made up of three components. One, is an update to recoverable costs. The Department has made various adjustments to Pots and operating expenses. Within operating expenses, the Department is requesting adjustments for other central services items such as Capitol Complex Leased Space, Workers' Compensation, Risk Management, Legal Services, and Vehicle Lease Payments. Staff recommends the adjustments for the previous items. In addition to these, the Department is requesting increases for Leased Space, GGCC, Compensated Absences (not included in figure setting calculation), and Depreciation. Staff does not recommend increases for these items. Staff does not believe leased space should be adjusted mid-year since leases are set during figure setting, the GGCC increase is also not recommended since staff did not recommend the refinance of the TMU in Supplemental #1, Compensated absences was not included as part of figure setting and depreciation should not be adjusted mid-year.

The second update is to radio inventory based on final FY 2007 actual inventory for agencies.

The third update is new this year for this service. The Department is requesting to perform budget to actual retroactive adjustments for FY 2006 and FY 2007. Similar to the GGCC supplemental discussion, the Department is requesting that agencies receive a credit for charges that were over the services they received.

The table below shows staff's calculation for adjustments to Communications Services:

<b>Staff Supplemental Calculation of Communications Services Recoverable Costs</b>				
	FY 2007-08 Figure Setting	FY 2007-08 Supplemental	FY 06 and FY 07 Billing Adjustments	New FY 08 Total
Personal Services	\$3,461,830	\$0		\$3,461,830
Centrally Appropriated Items	417,847	6,756		424,603
Operating Expenses	134,631	0		134,631
Training	22,000	0		22,000

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<b>Staff Supplemental Calculation of Communications Services Recoverable Costs</b>				
	FY 2007-08 Figure Setting	FY 2007-08 Supplemental	FY 06 and FY 07 Billing Adjustments	New FY 08 Total
Utilities	165,002	0		165,002
Leased Space	107,296	0		107,296
Local Systems	121,000	0		121,000
Snocat Purchase	230,520	0		230,520
Risk Management	73,096	(2,637)		70,459
Vehicle Lease Payments	129,205	(57,322)		71,883
Indirect Costs	433,320	0		433,320
Capitol Complex N Campus	8,755	(1,172)		7,583
Workers' Compensation	33,251	(1,200)		32,051
GGCC	0	0		0
Legal Services	0	9,585		9,585
Compensated Absences	0	0		0
Depreciation	0	0		0
<b>SUBTOTAL Recoverable Costs</b>	<b>\$5,337,753</b>	<b>(\$45,990)</b>	<b>(\$59,302)</b>	<b>\$5,232,461</b>
Less Public Safety Trust Fund (PSTF)	(721,134)	0		(721,134)
Local Govt. Imputed (PSTF)	0	0		0
Medical Services Account	(66,151)	0		(66,151)
NOAA	(121,000)	0		(121,000)
<b>Total Billings to Agencies</b>	<b>\$4,429,468</b>	<b>(\$45,990)</b>	<b>(\$59,302)</b>	<b>\$4,324,176</b>

**Local Government Share Consideration**

The Department has included again this year in its narrative a discussion of the "local government share" of the allocated billings. This refers to the "Local Govt. Imputed (PSTF)" line in the table above. The Department has stated that since 1998, the State has approved and invested approximately \$48 million for the development and implementation of the DTR system. This statewide public safety system was designed to meet the requirements of H.B. 98-1068. DPA is statutorily charged (Section 24-30-908.5, C.R.S.) with the implementation, administration, and ongoing maintenance of this system for all State and local government entities. The Department estimates that the true investment into this system so far is in excess of \$75 million, with the majority of the additional funding and resources provided by local government entities. To date,



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DTR is comprised of more than 140 radio communication transmitter sites Of these, Local Government owns and operates at least 60.

In order to entice local governments to continue to participate and invest in the DTR, the State has not been charging local governments for their share of usage of the current infrastructure. The Department believes that if it begins charging local governments, they may decide to back down or in turn begin to charge the State for using the local government infrastructure. In order to satisfy the federal Division of Cost Allocation (DCA) and make sure that there is no cross-subsidization by departments (especially those that are federally funded), the Department used to request the local government share as General Fund. During the General Fund shortages, the Department began to "cover" the local government share through funding appropriated from the Public Safety Trust Fund, which originated as General Fund.

The Department is bringing this issue to the forefront because it is noticing that the Public Safety Trust Fund may not be able to cover the local government share, in that case the Department is going begin requesting a General Fund appropriation to cover the cost of local governments. The Department has stated that for FY 2008-09, it may need to request a General Fund appropriation to cover the cost of local governments' use of the State's share of DTR. The table below shows how much has been covered in the past five years using the Public Safety Trust Fund mechanism:

FY 2003-04 (final allocation)	294,117
FY 2004-05 (final allocation)	330,636
FY 2005-06 (final allocation)	437,855
FY 2006-07 (final allocation)	508,806
FY 2008-09 (supplemental calculation)	507,510
5-year Total	\$2,078,924

Based on staff calculation of updated recoverable costs, the table below shows staff's recommendation for department supplemental adjustments to Communications Services Payments lines:

<b>FY 2007-08 Communications Services Staff Supplemental Adjustments Recommendation</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>Total</b>
Agriculture	(\$311)	\$0	(\$175)	\$0	(\$486)
Corrections	23,773	0	0	0	23,773
Education	(3,446)	0	0	0	(3,446)
Higher Education	0	(1,787)	0	0	(1,787)
Human Services	11,052	0	1,950	0	13,002

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Judicial	(359)	0	0	0	(359)
Labor	0	112	19	118	249
Law	(84)	(13)	(50)	(57)	(204)
Local Affairs	2,128	0	0	2,128	4,256
Military Affairs	(370)	0	0	0	(370)
Natural Resources	2,449	17,308	6	0	19,763
Personnel	(316)	0	0	0	(316)
Public Health	0	0	(224)	0	(224)
Public Safety	0	(4,131)	(196,285)	(1,499)	(201,915)
Revenue	(3,324)	(7,616)	(1,200)	0	(12,140)
Transportation	<u>0</u>	<u>0</u>	<u>54,915</u>	<u>0</u>	<u>54,915</u>
<b>Total</b>	<b>\$31,192</b>	<b>\$3,873</b>	<b>(\$141,044)</b>	<b>\$690</b>	<b>(\$105,289)</b>

The table below shows what the fund splits for staff recommendation would have been if staff had used the Departments' supplemental request fund splits:

<b>FY 2007-08 JBC Staff Recommendation for Departments' Communication Services Payments line items Using Departments' Supplemental Requests Fund Splits</b>				
General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
\$24,467	\$4,059	(\$134,443)	\$628	(\$105,289)

**Staff Recommendation:**

**Staff recommends the Committee approve staff's updated Communications Services calculation.**

**Statewide Supplemental #5 - Administrative Law Judge Services (DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$1,958</u>	<u>\$2,083</u>
Cash Funds Exempt	1,958	2,083

**Statewide adjustments to billings.**

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	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$76,025)</u>	<u>(\$89,131)</u>
General Fund	15,183	(31,918)
Cash Funds	(26,456)	(40,277)
Cash Funds Exempt	(5,948)	(6,216)
Federal Funds	(58,804)	(10,720)

<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 the appropriation / new data / an unforeseen contingency]	<b>YES</b>
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This supplemental request is for a statewide adjustment to appropriations for administrative law judge services (ALJ). The total statewide request is for a reduction of \$76,025 including an increase of \$15,183 General Fund. The Department of Personnel and Administration's portion of the request is an increase of \$1,958 cash funds exempt. During figure setting, the ALJ program's costs were estimated to be \$4,273,829.

This request is made up of three components. The first component is an update to utilization rates for Departments. The calculation updates utilization numbers for FY 2008 by using FY 2007 actual utilization rates. The second component updates program recoverable costs. The Department is requesting that recoverable costs be reduced by \$72,298. Staff recommends that recoverable costs be reduced by \$85,403. Staff does not recommend increasing operating expenses costs and GGCC costs due to staff's recommendation against the TMU refinance in Supplemental #1. The third component this year is new and it requests that the Department adjust for FY 2007 over-billings to agencies in the amount of \$3,727. This part of the request is consistent with the Department's earlier requests to perform similar adjustments to GGCC and Communications Services calculations in order to address federal auditors' concerns.

The table below presents the Departments supplemental request:

<b>FY 2007-08 ALJ Supplemental Adjustment Request</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>Total</b>
Corrections	(1,141)	0	0	0	(1,141)
Education	0	(7,223)	(27,179)	0	(34,402)
HCPF	16,325	0	0	16,324	32,649
Human Services	0	0	0	(75,128)	(75,128)

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Labor	0	(2,125)	(99)	0	(2,224)
Law	0	(1,282)	0	0	(1,282)
Personnel	0	0	1,958	0	1,958
Public Health	0	0	7,801	0	7,801
Reg. Agencies	(1)	(78)	(1)	0	(80)
Revenue	0	0	7,487	0	7,487
State	0	(60,759)	0	0	(60,759)
Transportation - non appropriated	0	0	4,085	0	4,085
School Districts - non appropriated	<u>0</u>	<u>45,011</u>	<u>0</u>	<u>0</u>	<u>45,011</u>
<b>Total</b>	<b>\$15,183</b>	<b>(\$26,456)</b>	<b>(\$5,948)</b>	<b>(\$58,804)</b>	<b>(\$76,025)</b>

Based on staff's calculation for recoverable costs reduction of \$85,403 and an additional retroactive reduction to FY 2007 costs by an additional \$3,727, staff recommends that department appropriations for administrative law judge services be reduced by a total of \$89,130. The table below shows staff's recommendation:

<b>FY 2007-08 ALJ Staff Supplemental Adjustment Recommendation</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
Corrections	(953)	0	0	0	(953)
Education	0	(7,289)	(27,420)	0	(34,709)
HCPF	15,733	0	0	15,733	31,466
Human Services	(46,681)	(4,668)	0	(26,453)	(77,802)
Labor	0	(9,725)	(452)	0	(10,177)
Law	0	(1,282)	0	0	(1,282)
Personnel	0	0	2,083	0	2,083
Public Health	0	0	7,951	0	7,951
Reg. Agencies	(17)	(792)	(6)	0	(815)
Revenue	0	0	7,532	0	7,532
State	0	(61,163)	0	0	(61,163)

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Transportation - non appropriated	0	0	4,096	0	4,096
School Districts - non appropriated	<u>0</u>	<u>44,642</u>	<u>0</u>	<u>0</u>	<u>44,642</u>
<b>Total</b>	<b>(\$31,918)</b>	<b>(\$40,277)</b>	<b>(\$6,216)</b>	<b>(\$10,720)</b>	<b>(\$89,131)</b>

The table below shows what the fund splits for staff recommendation would have been if staff had used the Departments' supplemental request fund splits:

<b>FY 2007-08 JBC Staff Recommendation for Departments' Administrative Law Judge Services line items Using Departments' Supplemental Requests Fund Splits</b>				
General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
\$13,015	(\$35,782)	(\$6,218)	(\$60,146)	(\$89,131)

**Staff Recommendation:**

**Staff recommends the Committee approve the staff recommendation for supplemental adjustments to Administrative Law Judge Services line items based on the staff supplemental adjustment recommendation table above.**

**Statewide Supplemental #6 - Risk Management and Workers' Compensation Adjustments (DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$669,424</u>	<u>\$577,437</u>
General Fund	(102,223)	(119,249)
Cash Funds	2,404,483	2,404,150
Cash Funds Exempt	(1,632,836)	(1,707,464)

**Statewide adjustments to billings.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$5,801,200)</u>	<u>(\$7,675,369)</u>
General Fund	(1,966,371)	(2,644,067)
Cash Funds	(295,949)	(339,427)

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	<b>Request</b>	<b>Recommendation</b>
Cash Funds Exempt	(3,334,459)	(4,463,836)
Federal Funds	(204,421)	(228,039)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This supplemental request is for a decrease in statewide billings for risk management services. These include the state's premiums for workers' compensation, property and liability. The Department is citing all the programs as sources for the requested adjustments. Decreases include \$399,474 for liability premiums, \$605,210 for property premiums, and a \$4,796,510 reduction for worker's compensation premiums. In addition, the Department of Personnel and Administration is requesting supplemental adjustments in its share of these statewide premiums. Its specific request includes a decrease of \$160,997 including \$43,164 General Fund for workers' compensation and a decrease of 210,590 including \$59,059 General Fund in risk management and property.

The Department of Personnel and Administration requests this supplemental because of the following components:

1. **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 2007-08 total program overhead is \$1,004,775 and the Department's request allocates the overhead as follows:
  - Workers' Compensation - \$620,368 (61.7 percent);
  - Liability - \$192,637 (19.2 percent); and
  - Property - \$191770 (19.1 percent).
  
2. **Modified reserve funding levels for the Workers' Compensation Account, the Risk Management Fund, and the Self-Insured Property Fund.** The Department is requesting a revised methodology for determining appropriate reserve levels in these funds. During FY 2007-08 figure setting process, the Committee figure set the following reserve balances for the funds:
  - Workers' Compensation - 5 percent;
  - Liability - 16.5 percent;
  - Property - 10 percent.

The Department now recommends the following reserve levels:

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- Workers' Compensation - \$1,490,380 which is consistent with a 5.0 percent reserve level of other self-funded insurance programs (Group Benefit Plans specifically);
- Liability - \$1,905,876 which is consistent with S.B. 98-194 provisions calling for a 16.5 percent reserve balance; and
- Property - \$1,551,989. **This request is for an increase of the reserve balance from 10 percent to 16.5 percent.**

The table below shows the Department's calculations for the above reserve balance requests:

<b>FY 2008 Department Calculation of Reserve Stabilization Funding - Request</b>			
	Workers' Compensation	Liability	Property
Reserve %	5.0%	16.5%	<b>16.5%</b>
Premium Expenses	\$29,807,598	\$11,550,766	\$9,405,994
Reserve Calculation on Premium Expenses	\$1,490,380	\$1,905,876	\$1,551,989
Prior Year Fund Balance	\$4,782,011	\$3,874,644	\$3,372,775
Refund from Pinnacol	\$1,308,690	\$0	\$0
Reserve Stabilization Funding	(\$4,600,321)	(\$1,968,768)	(\$1,820,786)

Staff makes two observations regarding the Department's calculation above: One, during the FY 2007 supplemental, the Department had requested increasing the Property program's reserve balance to 16.5 percent from the then 5 percent reserve balance. The Committee voted to increase the balance for FY 2007 and FY 2008 to 10 percent. Two, the Department has consistently requested calculating its reserve balance on total premium expenses, including various fees and charges. Staff has consistently calculated the reserve balance on only prospective loss given that it is the largest amount of the premium and it is subject to change drastically depending on claims and prospective loss. Staff does not recommend changing the Committee's policy regarding reserve calculation and reserve percentages through this supplemental.

The table below shows the staff calculation for the reserve balance and reserve stabilization funding recommendation:

<b>FY 2008 Staff Calculation of Reserve Stabilization Funding - Recommendation</b>			
	Workers' Compensation	Liability	Property
Reserve %	5.0%	16.5%	<b>10.0%</b>
Prospective Loss	\$25,961,990	\$8,577,988	\$3,644,329

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Reserve Calculation on Premium Expenses	\$1,298,100	\$1,415,368	\$364,433
Prior Year Fund Balance	\$4,782,011	\$3,874,644	\$3,372,775
Refund from Pinnacol	\$1,308,690	\$0	\$0
Reserve Stabilization Funding	(\$4,792,601)	(\$2,459,276)	(\$3,008,342)

The staff calculation above shows that the Workers' Compensation fund had a \$4.8 million fund balance for FY 2007 as well as a refund from Pinnacol for over-collecting premiums for the University of Northern Colorado (UNC) which opted out from the Property (July 1, 2005), Liability (July 1, 2006) and Workers' Compensation (July 1, 2006) programs as a result of H.B. 04-1009.

The fund balance for the three programs show that claims were significantly lower than projected in FY 2007. At the same time, staff notes that last year, for the FY 2007 supplemental request, the Department had asked for a reduction to agency appropriations for the Worker's Compensation program by approximately \$2.5 million and an increase for the Risk Management program appropriations by approximately \$5.7 million.

**Summary of Statewide Requests**

Below are summaries of the statewide request which combines all factors described above for workers' compensation and the risk management funds (property and liability). For workers' compensation:

<b>Statewide Workers' Compensation FY 2008 Supplemental Request</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>TOTAL</b>
Agriculture	(36,636)	(60,962)	(27,453)	(1,117)	<b>(126,168)</b>
Corrections	(545,508)	0	(18,674)	0	<b>(564,182)</b>
Education	(2,298)	(779)	(1,987)	(1,573)	<b>(6,637)</b>
Governor	822	0	0	0	<b>822</b>
HCPF	653	0	0	653	<b>1,306</b>
Higher Ed - approp.	0	(1,998)	(518)	0	<b>(2,516)</b>
Higher Ed - non-approp.	0	0	(47,508)	0	<b>(47,508)</b>
Human Services	(621,700)	(2,778)	(503,170)	(50,978)	<b>(1,178,626)</b>
Judicial	(129,121)	0	0	0	<b>(129,121)</b>
Labor	0	(52,760)	(8,911)	(55,499)	<b>(117,170)</b>
Law	(8,467)	(1,889)	(16,065)	(623)	<b>(27,044)</b>



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<b>Statewide Workers' Compensation FY 2008 Supplemental Request</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>TOTAL</b>
Legislature	(3,524)	0	0	0	<b>(3,524)</b>
Local Affairs	(17,450)	(557)	(748)	0	<b>(18,755)</b>
Military Affairs	(14,953)	0	0	(28,303)	<b>(43,256)</b>
Natural Resources	(60,151)	(89,045)	(319,651)	(670)	<b>(469,517)</b>
Personnel	(43,164)	(937)	(116,896)	0	<b>(160,997)</b>
Public Health	0	0	(134,581)	0	<b>(134,581)</b>
Public Safety	0	0	(270,311)	0	<b>(270,311)</b>
Reg Agencies	(2,051)	(48,466)	(5,949)	(988)	<b>(57,454)</b>
Revenue	(134,078)	1,756	(53,357)	0	<b>(185,679)</b>
State	0	(604)	0	0	<b>(604)</b>
Transportation - non-approp.	0	0	(1,254,841)	0	<b>(1,254,841)</b>
Treasury	<u>(153)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b><u>(153)</u></b>
<b>TOTAL</b>	<b>(1,617,779)</b>	<b>(259,019)</b>	<b>(2,780,620)</b>	<b>(139,098)</b>	<b>(4,796,516)</b>

For risk management and property:

<b>Statewide Risk Management and Property Funds FY 2008 Supplemental Request</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>TOTAL</b>
Agriculture	(21,862)	(21,238)	(13,946)	(447)	<b>(57,493)</b>
Corrections	165,699	0	5,672	0	<b>171,371</b>
Education	(17,653)	(1,645)	(2,353)	(14,411)	<b>(36,062)</b>
Governor	(49,493)	0	0	0	<b>(49,493)</b>
HCPF	(13,995)	0	0	(13,995)	<b>(27,990)</b>
Higher Ed - approp.	0	290	3,349	0	<b>3,639</b>
Higher Ed - non-approp.	0	0	(713,331)	0	<b>(713,331)</b>
Human Services	(357,237)	(946)	(52,602)	(17,815)	<b>(428,600)</b>

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<b>Statewide Risk Management and Property Funds FY 2008 Supplemental Request</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Judicial	(85,214)	0	0	0	<b>(85,214)</b>
Labor	0	(18,821)	(3,179)	(19,798)	<b>(41,798)</b>
Law	0	0	(4,519)	0	<b>(4,519)</b>
Legislature	621	0	0	0	<b>621</b>
Local Affairs	(10,940)	(706)	(117)	0	<b>(11,763)</b>
Military Affairs	13,222	0	0	0	<b>13,222</b>
Natural Resources	18,795	15,682	22,717	1,117	<b>58,311</b>
Personnel	(59,059)	(1,294)	(150,237)	0	<b>(210,590)</b>
Public Health	0	236	(5,045)	0	<b>(4,809)</b>
Public Safety	134,245	0	(403)	0	<b>133,842</b>
Reg Agencies	40	860	156	26	<b>1,082</b>
Revenue	(17,708)	6,297	(12,742)	0	<b>(24,153)</b>
State	0	(15,645)	0	0	<b>(15,645)</b>
Transportation - non-approp.	0	0	372,741	0	<b>372,741</b>
Treasury	<u>(48,053)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b><u>(48,053)</u></b>
<b>TOTAL</b>	<b>(348,592)</b>	<b>(36,930)</b>	<b>(553,839)</b>	<b>(65,323)</b>	<b>(1,004,684)</b>

**Staff does not recommend the Department's request for Workers' Compensation and Risk Management allocation adjustments to Departments. Instead, staff recommends the Committee approve the staff calculation based on the following:**

- 1. Maintaining the current reserve requirements for the Workers' Compensation program (5 percent), Liability program (16.5 percent), and Property program (10 percent);**
- 2. Continue to calculate the reserves for these funds based on the prospective loss for each and not on total premium expenses;**
- 3. Reallocating administrative overhead using updated figures provided by the Department;**
- 4. Increasing the Department's Property Program premiums line by the requested \$628,913;**

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**5. Decreasing the Worker's Compensation premiums line by the requested \$498,246;**

**6. Increasing the Liability Program premiums line by the requested \$910,344.**

Based on the recommendations above, staff recommends the following supplemental adjustments to Department line items. For workers' compensation:

<b>Statewide Workers' Compensation FY 2008 Supplemental Staff Recommendation</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>TOTAL</b>
Agriculture	(37,028)	(61,614)	(27,746)	(1,129)	<b>(127,517)</b>
Corrections	(579,838)	0	(19,850)	0	<b>(599,688)</b>
Education	(3,935)	(371)	(573)	(3,247)	<b>(8,126)</b>
Governor	751	0	0	0	<b>751</b>
HCPF	558	0	0	558	<b>1,116</b>
Higher Ed - approp.	0	42,137	86,273	0	<b>128,410</b>
Higher Ed - non-approp.	0	0	(201,699)	0	<b>(201,699)</b>
Human Services	(647,933)	(2,896)	(524,402)	(53,129)	<b>(1,228,360)</b>
Judicial	(141,326)	0	0	0	<b>(141,326)</b>
Labor	0	(54,773)	(9,251)	(57,617)	<b>(121,641)</b>
Law	(8,599)	(1,976)	(16,072)	(783)	<b>(27,430)</b>
Legislature	(3,754)	0	0	0	<b>(3,754)</b>
Local Affairs	(17,630)	(565)	(760)	0	<b>(18,955)</b>
Military Affairs	(15,113)	0	0	(28,605)	<b>(43,718)</b>
Natural Resources	(61,052)	(90,379)	(324,435)	(680)	<b>(476,546)</b>
Personnel	(41,858)	(900)	(119,962)	0	<b>(162,720)</b>
Public Health	0	0	(136,189)	0	<b>(136,189)</b>
Public Safety	0	0	(283,321)	0	<b>(283,321)</b>
Reg Agencies	(2,073)	(48,985)	(6,012)	(998)	<b>(58,068)</b>
Revenue	(122,061)	(18,872)	(49,068)	0	<b>(190,001)</b>
State	0	(641)	0	0	<b>(641)</b>

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<b>Statewide Workers' Compensation FY 2008 Supplemental Staff Recommendation</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>TOTAL</b>
Transportation - non-approp.	0	0	(1,293,043)	0	<b>(1,293,043)</b>
Treasury	(158)	0	0	0	<b>(158)</b>
<b>TOTAL</b>	<b>(1,681,049)</b>	<b>(239,835)</b>	<b>(2,926,110)</b>	<b>(145,630)</b>	<b>(4,992,624)</b>

Based on the recommendations above, staff recommends the following supplemental adjustments to Department line items. For risk management and property:

<b>Statewide Risk Management and Property Funds FY 2008 Supplemental Staff Recommendation</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>TOTAL</b>
Agriculture	(27,091)	(26,318)	(17,282)	(555)	<b>(71,246)</b>
Corrections	(137,071)	0	(4,692)	0	<b>(141,763)</b>
Education	(23,515)	(2,192)	(3,134)	(19,194)	<b>(48,035)</b>
Governor	(54,778)	0	0	0	<b>(54,778)</b>
HCPF	(15,622)	0	0	(15,621)	<b>(31,243)</b>
Higher Ed - approp.	0	1,148	27,799	0	<b>28,947</b>
Higher Ed - non-approp.	0	0	(1,259,092)	0	<b>(1,259,092)</b>
Human Services	(454,672)	(1,203)	(66,950)	(22,674)	<b>(545,499)</b>
Judicial	(103,446)	0	0	0	<b>(103,446)</b>
Labor	0	(22,554)	(3,809)	(23,725)	<b>(50,088)</b>
Law	0	0	(8,671)	0	<b>(8,671)</b>
Legislature	(401)	0	0	0	<b>(401)</b>
Local Affairs	(12,004)	(752)	(154)	0	<b>(12,910)</b>
Military Affairs	(193)	0	0	0	<b>(193)</b>
Natural Resources	(15,261)	(21,562)	(47,966)	(562)	<b>(85,351)</b>
Personnel	(77,391)	(1,664)	(221,799)	0	<b>(300,854)</b>
Public Health	0	(457)	(21,116)	0	<b>(21,573)</b>
Public Safety	31,428	0	41,834	0	<b>73,262</b>

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<b>Statewide Risk Management and Property Funds FY 2008 Supplemental Staff Recommendation</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>TOTAL</b>
Reg Agencies	(119)	(2,582)	(468)	(78)	<b>(3,247)</b>
Revenue	(24,760)	(4,387)	(14,123)	0	<b>(43,270)</b>
State	0	(17,069)	0	0	<b>(17,069)</b>
Transportation - non-approp.	0	0	61,897	0	<b>61,897</b>
Treasury	<u>(48,122)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b><u>(48,122)</u></b>
<b>TOTAL</b>	<b>(963,018)</b>	<b>(99,592)</b>	<b>(1,537,726)</b>	<b>(82,409)</b>	<b>(2,682,745)</b>

The tables below shows what the fund splits for staff recommendation would have been if staff had used the Departments' supplemental request fund splits:

<b>FY 2007-08 JBC Staff Recommendation for Departments' Workers' Compensation line items Using Departments' Supplemental Requests Fund Splits</b>				
<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>Total</b>
(\$1,696,555)	(\$230,055)	(\$2,921,602)	(\$144,412)	(\$4,992,624)

<b>FY 2007-08 JBC Staff Recommendation for Departments' Payment to Risk Management and Property Funds line items Using Departments' Supplemental Requests Fund Splits</b>				
<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>Total</b>
(\$892,305)	(\$90,346)	(\$1,618,306)	(\$81,788)	(\$2,682,745)

**Statewide Supplemental #7 - Vehicle Lease Line Reconciliation (DPA Allocation)**

**Department of Personnel and Administration share of Supplemental request.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$1,116,268</u>	<u>\$1,116,268</u>
General Fund	0	(792)
Cash Funds Exempt	1,116,268	1,117,060

**Statewide adjustments to billings.**

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	<b>Request</b>	<b>Recommendation</b>
Total	<u>(\$2,113,211)</u>	<u>(\$2,112,611)</u>
General Fund	(342,810)	(393,738)
Cash Funds	(166,695)	(166,776)
Cash Funds Exempt	(1,580,401)	(1,528,580)
Federal Funds	(23,305)	(23,517)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** This statewide supplemental request is for reductions to the vehicle lease payment line item in each department participating in the Fleet Management Program, and it also requests an increase in the Department of Personnel and Administration's Fleet Management Program which is responsible for all statewide payments for vehicles. The request is for reductions of \$2,112,211 including a reduction of \$342,810 General Fund, which is associated with individual department appropriations for vehicle leases, and an increase of \$1,116,268 in the Fleet Management line item responsible for lease payments. In addition, the Department is requesting modification of a Long Bill letternote "a" located within the Fleet Management Program and Motor Pool Services. The Department is requesting to adjust the letternote language to specify that lease-purchase agreements shall be for a period of up to ten years, and not eight years as it currently states.

This request has been presented to the committee for seven years. Yearly, the Department conducts an analysis to determine actual funding needs for the Fleet Management Program. The analysis considers funding trends, changes in calculated annualization as vehicles are delivered at different points in the year, changes in department assignments of vehicles, and leases that are expiring (generally leases are for five year terms, except for the Colorado State Patrol, which leases vehicles for three year terms). This data is then compared to need of Fleet Management and its ability to cover the costs of its outstanding leases for the fiscal year. The statewide request presented by the Department of Personnel and Administration is summarized in the table below.

<b>FY 2007-08 Vehicle Lease Payments Reconciliation Request</b>					
Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	<b>Total</b>
Agriculture	(\$11,170)	(\$11,464)	\$0	(\$559)	(\$23,193)
Corrections	(232,273)	0	0	0	(232,273)
Governor	(1,277)	0	0	0	(1,277)
Human Services	(61,604)	(797)	(22,129)	(2,856)	(87,386)

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<b>FY 2007-08 Vehicle Lease Payments Reconciliation Request</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>Total</b>
Judicial	(11,865)	0	0	0	(11,865)
Labor	0	(1,008)	(170)	(1,061)	(2,239)
Law	(1,341)	(3,016)	(4,890)	(60)	(9,307)
Local Affairs	(4,852)	0	(1,011)	0	(5,863)
Military Affairs	(7,451)	0	0	0	(7,451)
Natural Resources	(33,112)	(33,059)	(130,235)	(2,221)	(198,627)
Personnel	0	0	(43,635)	0	(43,635)
Public Health	0	(35,115)	(36,078)	0	(71,193)
Public Safety	36,861	(24,814)	(756,874)	(15,548)	(760,375)
Regulatory Agencies	0	(45,651)	0	0	(45,651)
Revenue	(14,726)	(11,998)	(25,421)	0	(52,145)
State	0	227	0	0	227
Education - non-approp.	0	0	(5,545)	0	(5,545)
Higher Ed. - non-approp.	0	0	(277,536)	0	(277,536)
CDOT - non-approp.	<u>0</u>	<u>0</u>	<u>(276,877)</u>	<u>0</u>	<u>(276,877)</u>
<b>Total</b>	<b>(\$342,810)</b>	<b>(\$166,695)</b>	<b>(\$1,580,401)</b>	<b>(\$22,305)</b>	<b>(\$2,112,211)</b>

**Staff recommends the Committee approve the Department’s request to reconcile the spending authority in the fleet management program’s vehicle lease line with department appropriations. Staff notes that the Department submits a supplemental every year that adjusts the fleet spending authority with department appropriations. It seems impossible for the Department to account for all current, future, and expiring vehicle leases during the figure setting process.**

**Staff does not recommend the Committee approve the letter note correction in the Long Bill.**

**Staff recommends the Department’s request, however, staff recommends that department appropriations be adjusted proportionately to the FY 2008 initial Long Bill appropriation. Staff recommends the committee approve the fund splits in the table below:**

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<b>FY 2007-08 Vehicle Lease Payments Staff Supplemental Recommendation</b>					
<b>Department</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>Total</b>
Agriculture	(\$9,605)	(\$13,107)	\$0	(\$480)	(\$23,192)
Corrections	(226,235)	0	(6,038)	0	(232,273)
Governor	(1,277)	0	0	0	(1,277)
Human Services	(53,364)	(121)	(29,150)	(4,751)	(87,386)
Judicial	(11,865)	0	0	0	(11,865)
Labor	0	(1,008)	(170)	(1,061)	(2,239)
Law	(1,954)	(2,227)	(3,728)	(1,399)	(9,308)
Local Affairs	(4,852)	0	(1,011)	0	(5,863)
Military Affairs	(7,451)	0	0	0	(7,451)
Natural Resources	(30,853)	(40,502)	(123,795)	(3,477)	(198,627)
Personnel	(792)	0	(42,843)	0	(43,635)
Public Health	0	(32,715)	(33,693)	(4,785)	(71,193)
Public Safety	(32,392)	(17,804)	(702,615)	(7,564)	(760,375)
Regulatory Agencies	0	(45,651)	0	0	(45,651)
Revenue	(13,098)	(13,468)	(25,579)	0	(52,145)
State	0	227	0	0	227
Education - non-approp.	0	0	(5,545)	0	(5,545)
Higher Ed. - non-approp.	0	0	(277,536)	0	(277,536)
CDOT - non-approp.	0	0	(276,877)	0	(276,877)
<b>Total</b>	<b>(\$393,738)</b>	<b>(\$166,376)</b>	<b>(\$1,528,580)</b>	<b>(\$23,517)</b>	<b>(\$2,112,211)</b>

**Supplemental #8 (DPA Supplemental #1) - Technical Corrections to S.B. 07-239**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$140,788</u>	<u>\$140,788</u>
FTE	0.0	0.0



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	<b>Request</b>	<b>Recommendation</b>
General Fund	722,090	395,296
Cash Funds	0	0
Cash Funds Exempt	(581,302)	(254,508)

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>YES</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Description:**

The Department is requesting to correct three errors in S.B. 07-239 through this request.

One, the Department seeks to refinance \$722,090 cash funds exempt with \$722,090 General Fund. This request is based on a technical error by JBC staff when allocating statewide indirect cost recoveries to the Department during figure setting.

Two, the Department seeks to correct a letter note for the (2) Division of Human Services, (B) Employee Benefits Services. The Department submitted, and the Committee approved, a FY 2008 Budget Amendment #1 - DC Plans Program Audit. The budget amendment created a new line item with \$160,000 cash funds exempt for performance audits of the Deferred Compensation Plan and the Defined Contribution Plans. The request states that \$80,000 of the funding was written to come from the Group Benefits Plans Reserve Fund, the Department requests that the funding source be changed to the Deferred Compensation Administration Fund.

Three, the third request relates to increasing the Department's spending authority by \$140,788 cash funds exempt in the (4) Central Services, (B) Integrated Document Factory, (2) Document Solutions Group, Personal Services, to account for two FY 2008 approved Decision Items in the Department of Regulatory Agencies (p. 430 of the FY 2008 Appropriations Report: \$96,150 cash funds exempt to replace the Department's imaging system by purchasing licenses to use the Electronic Data Warehouse (EDW), housed in the Department of Personnel), and another decision item within the Department of Law (p. 284 of the FY 2008 Appropriations Report: \$44,638 General Fund to digitize the Peace Officer Standards and Training Board (P.O.S.T.) to scan and store digital images of approximately 400,000 pages of pre-2004 documents.

**Analysis:**

Regarding Department request one, staff notes that during FY 2007 there were sufficient statewide indirect cost recoveries from the Departments of Higher Education and Labor and Employment to offset the need for a general fund appropriation for the State Controller's Office. During FY 2008 figure setting, staff labeled the \$722,090 as cash funds exempt without specifying the source of appropriation to the Department.

**Recommendation:**

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Regarding Department request One, staff does not recommend the Department's request. Part of the Controller's line item is funded through rebates from the Procurement Card Program, for FY 2008 the letter note states that \$1,528,424 shall be from the program. Historically, the entire rebate has been appropriated to the Controller's office. A staff inquiry from COFRS showed that the FY 2007 actual rebates totaled \$1,780,790 and that for the first half of FY 2008, the estimated rebates total \$930,109 (or an estimated \$1,860,218 for an entire year). Staff recommends that the letter note for the Controller's office be amended to read that \$1,860,218, shall be from the Procurement Card Program. In addition, the Controller's office has been funded in the past through the reserve balance of the Debt Collection Fund and the reserve balance of the Supplier Database Cash Fund. Staff recommends that the current letter note be further amended to read that \$25,000 and \$20,000 respectively shall be from the two funds. This would still leave \$395,296 in General Fund need for the line. Staff recommends the Committee approve this amount.

Staff recommends the Department's requests on items two and three.

**Supplemental #9 (DPA Supplemental #2) - State Archives Refinance**

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
FTE	0.0	0.0
General Fund	33,185	0
Cash Funds	0	0
Cash Funds Exempt	(33,185)	0

<p><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 the appropriation / new data / an unforeseen contingency]</p> <p>Staff does not agree that this request represents new data.</p>	<b>No</b>
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**Description:**

The Department is requesting \$33,185 General Fund to refinance the personal services line in the Information and Archival Services as a result of reduced cash funds exempt revenue that has been dropping for several years. Staff notes that the Department submitted a decision item for FY 2009 as well in which it listed that this has been a systematic problem starting with FY 02-03.

**Recommendation:**

**Staff does not recommend the Committee approve the Department's request. This request does not represent new data.**

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**Supplemental #10 (DPA Supplemental #3) - CBI Grant Spending Authority**

	Request	Recommendation
Total	<u>\$274,560</u>	<u>\$274,560</u>
FTE	0.0	0.0
Cash Funds Exempt	274,560	274,560

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>Yes</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:**

The Integrated Document Solutions Group requests additional spending authority of \$274,560 cash funds exempt in FY 2007-08 for the Document Solutions Group (DSG) to provide data entry services for the Colorado Bureau of Investigation (CBI).

In an attempt to enter criminal fingerprints into the Colorado Crime Information Center (CCIC) system as quickly as possible despite heavy workloads, the CBI entered only the most serious criminal arrest charges into the CCIC system. This has resulted in a large backlog of criminal history data that needs to be processed and entered. The DSG will provide temporary data specialists to enter information and complete criminal history information for arrests.

The CBI has renewed a Federal Grant to address its backlog. The new federal grant (#27-RU-15b-1-3) is for the Federal fiscal year which runs from October 1, 2007 through September 30, 2008 and is not to exceed \$274,560.

**Staff Recommendation:**

**Staff recommends that the Committee approve the Department's request and appropriate \$274,560 of spending authority to the Document Solutions Group, Personal Services line item.**

**Supplemental #11 (DPA Supplemental #4) - Operating Expenses for the State Fleet Program**

	Request	Recommendation
Total	<u>\$2,402,649</u>	<u>\$2,402,649</u>
FTE	0.0	0.0

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	<b>Request</b>	<b>Recommendation</b>
Cash Funds Exempt	2,402,649	2,402,649

<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 the appropriation / new data / an unforeseen contingency]	<b>Yes</b>
Staff and the Department agree that this supplemental is the result of new data.	

**Department Request:** The Department requests \$2,402,649 Cash Funds Exempt spending authority increase for FY 2007-08 for the Department's Central Services, Fleet Management Program and Motor Pool Services, Operating Expenses line in order to cover an increase in miles driven, fuel and maintenance expenses related to the approximately 5,800 vehicles in the state fleet.

The table below summarizes the assumptions used to calculate the FY 2007-08 Long Bill appropriation.

<b>FY 2008 Figure Setting Staff Recommendation - Fleet Operating Expenses</b>	
<b>FY 2006-07 Long Bill Appropriation</b>	<b>18,139,386</b>
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>
<b>TOTAL Estimated Expense</b>	<b>18,515,691</b>
<b>Difference</b>	<b>376,305</b>

The table below summarizes the Department's updated request:

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

**Staff Recommendation:**

**Given the large increase in fuel and maintenance costs, including a total increase operating costs of 13 percent, staff recommends the Committee approve the Department’s request to increase the fleet operating line item spending authority so that the Department can collect the increased expenses from state agencies.**

**Supplemental #12 (DPA Supplemental #5) - Training Services Refinance**

	<b>Request</b>	<b>Recommendation</b>
Total	\$0	\$0
FTE	0.0	0.0
Cash Funds	44,770	0
Cash Funds Exempt	(44,770)	0

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>No</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff does not agree that this request represents new data.	

**Description/Discussion:**

The Department is requesting to refinance \$44,770 cash funds exempt with cash funds spending authority due to the increase in cash revenue of the training program and the reduction of cash funds exempt. The Department argues that this is new information that merits a supplemental adjustment. However, the Department shows a table of actual revenue data which shows that the trend was evident as early as the end of FY 2005-06 and that mid year FY 2007 the Department knew this trend was developing. Staff notes that the Department is also submitting a budget amendment for FY 2009.

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**Recommendation:**

**Staff does not recommend the Committee approve this request as it does not meet supplemental criteria.**

**Supplemental #13 (DPA Supplemental #6) - Green Fleet Coordinator**

	Request	Recommendation
Total	<u>\$16,174</u>	<u>\$0</u>
FTE	0.3	0.0
Cash Funds Exempt	16,174	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 the appropriation / new data / an unforeseen contingency]	<b>No</b>
Staff does not agree that this request represents new data.	

**Description/Discussion:**

The Department is claiming that Executive Orders D0011 07 and D0012 07 on Greening Government will require the department to administer and monitor green policies related to the State Fleet. The Department does not currently have anyone serving this function.

Staff notes 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 work load for various agencies as a result of the request. Staff also notes that he is still waiting to receive a copy of the Transportation Efficiency Audit which was supposed to be delivered to the Governor on December 1, 2007. Staff does not feel that there has been enough analysis or discussion about potential workload in order to analyze appropriately the need for a green fleet coordinator within the Department.

**Recommendation:**

**Staff does not recommend that the Committee approve this request.**

**Supplemental #14 (DPA Non-Prioritized Supplemental #1) - State Fleet Spending Authority for DHS Supplemental #1 - Monitoring of Not Guilty by Reason of Insanity Outpatients.**

	Request	Recommendation
Total	<u>\$2,796</u>	<u>\$0</u>
Cash Funds Exempt	2,796	Pending

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<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>NP</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Non-prioritized Supplemental.	

Staff recommendation on this supplemental is pending Committee decision on DHS Supplemental #1.

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**Supplemental #15 (DPA Non-Prioritized Supplemental #2) - CDLE Unemployment Insurance Mail Reimbursements.**

	<b>Request</b>	<b>Recommendation</b>
Total	<u>\$950,067</u>	<u>\$950,067</u>
Cash Funds Exempt	950,067	950,067

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b>	<b>NP</b>
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Non-prioritized Supplemental.	

It is staff's understanding that the Committee voted to approve the CDLE Supplemental #4 on January 9, 2008. **Staff recommends that the Committee vote to approve the Department's request for a \$950,067 cash funds exempt increase in spending authority within the Department's mail services operations so that the Department can process the extra unemployment insurance mail that will be going through its mail room.**