DEPARTMENT OF PERSONNEL

FY 2025-26 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, December 2, 2024

1:30 pm – 3:30 pm

1:30-1:35 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, Chief Financial Officer
- Tobin Follenweider, Deputy Executive Director
- Heather Velasquez, Deputy Executive Director

1:35-1:45 DEPARTMENT OVERVIEW

1:45-2:45 DECISION ITEMS

Topics:

- R1 Office of Administrative Courts (OAC) Staffing: Page 6, Questions 8-9 in the packet, Slides 9-10
- R2 Risk Property Valuation: Page 4, Question 4 in the packet, Slides 11-12
- R3 Reducing Our State Footprint: Page 4, Question 5 in the packet, Slides 13-14
- R4 COWINS Partnership Agreement Resources: Pages 7-9, Questions 10-12 in the packet, Slides 15-17
- R5 State Archives Research Desk Staffing: Page 9, Question 13 in the packet, Slides 18-19
- R6 Address Confidentiality Resources: Pages 11-13, Questions 14-16 in the packet, Slides 20-21
- R7 Annual Fleet Replacements: Pages 5-6, Questions 6-7 in the packet, Slides 22-24
- R8 Colorado Equity Office Funding Realignment: Pages 13-16, Questions 17-19 in the packet, Slides 25-28

2:45-3:00 OPERATING COMMON POLICIES

Topics:

- Risk Management: Page 1, Questions 2-4 in the packet, Slides 30-34

3:00-3:05 COMMON QUESTION

Topics:

- Replacing One-time GF or ARPA with Ongoing Appropriations: Page 1, Question 1 in the packet, Slide 36

3:05-3:15 STATEWIDE COMPENSATION QUESTIONS

Topics:

- Vacancy Savings (Statewide Compensation): Pages 21-22 Questions 24-26 in the packet, Slides 38-39
- COWINS (Statewide Compensation): Pages 22-23, Questions 27-29 in the packet, Slides 40-41

3:15-3:20 GENERAL QUESTIONS

Topics:

- Reappropriated Funds: Page 19, Question 23 in the packet, Slide 43
- Contracted Staff: Page 24, Question 30 in the packet, Slide 44
- Total Compensation General Fund Cuts: Page 24, Question 31 in the packet, Slide 45

3:20-3:30 BUDGET REDUCTION OPTIONS

Topics:

- Supplier Database Cash Fund/Supplemental State Contribution Program: Pages 16-17, Questions 20-21 in the packet, Slide 47
- Office of Sustainability: Page 17, Questions 22 in the packet, Slide 48

COLORADO

Department of Personnel & Administration

Joint Budget Committee Hearing
December 2, 2024

Joint Budget Committee Hearing

Agenda:

- Departmental Overview
- Operating Decision Items
- Operating Common Policies
- Common Questions
- Statewide Compensation Questions
- General Questions
- Budget Reduction Options

Department Overview

FY 2025-26 and Moving Forward

DPA Supports State Government

Authority

DPA provides central authority by creating rules, policies, and technical guidance to State government

Services

DPA provides central services needed for government to function efficiently and effectively

Programs

DPA provides central programs offered as valuable services to Colorado residents and State employees

DPA

DPA Organizational Chart FY 2024-25

FY 2024-25 Summary of Funding
Total funds: $283,682,294
General funds: $39,442,833
Cash funds: $ 21,986,936
Reappropriated funds: $222,252,525
Federal Funds: $ -
Total FTE: 518.3

Executive Director's Office Administration

Tony Gherardini, Executive Director

Tobin Follenweider, Deputy ED
Heather Velasquez, Deputy ED

$43,261,710
36.3 FTE

State Personnel Board

Rick Dindinger, Director

$696,687
5.1 FTE

Division of Human Resources

Laura Koeneman, Chief Human Resources Officer

$100,729,287
119.2 FTE

Office of the State Controller

Bob Jaros, State Controller

$16,871,483
80.7 FTE

Division of Capital Assets

Richard Lee, Director

$77,680,908
85.9 FTE

Public Private Collaboration Unit

Thomas Kurek, Director

$299,858
3.0 FTE

Division of Central Services

Tom Montross, Director

$36,314,020
127.9 FTE

Office of Administrative Courts

Laura Broniak, Chief Judge & Director

$5,394,731
47.4 FTE

Office of the State Architect

Tana Lane, State Architect

$2,433,610
12.8 FTE

DPA

Operating Decision Items

Prioritized Requests for Discussion

Prioritized Request	FTE (FY26)	GF (FY26)	CF (FY26)	RF (FY26)	FF (FY26)
R-01 Office of Administrative Courts Staffing	2.8	$0	$0	$292,468	$0
R-02 Risk Property Valuation	0.0	$0	$0	$600,000	$0
R-03 Reducing Our State Footprint	0.0	$692,189	$0	$0	$0
R-04 COWINS Partnership Agreement Impacts	3.8	$531,675	$0	$0	$0
R-05 State Archives Research Desk Staffing	0.9	$78,440	$0	$0	$0
R-06 Address Confidentiality Resources	3.3	$557,619	$0	$0	$0
R-07 Annual Fleet Replacement	0.0	$0	$0	$5,897,217	$0
R-08 Equity Office Agency Funding Realignment	0.0	($653,416)	$0	$0	$0
R-09 Statewide Planning Services Reduction	0.0	($992,189)	$0	$0	$0
Total	10.8	$214,318	$0	$6,789,685	$0

GF Operating Requests (DPA vs Non-DPA)

DPA Operating Requests	GF (FY26)
R-01 Office of Administrative Courts Staffing	$0
R-02 Risk Property Valuation	$0
R-05 State Archives Research Desk Staffing	$78,440
R-06 Address Confidentiality Resources	$557,619
R-09 Statewide Planning Services Reduction	-$992,189
Statewide R-01 Transfer from certain CF interest income revenue subject to TABOR	$0
Statewide R-04 1% GF Reduction for Program Lines	-$137,290
Statewide R-05 Round to the Nearest $1,000	-$15,284
Total	**-$508,704**

Requests Impacting Other Agencies	GF (FY26)
R-03 Reducing Our State Footprint	$692,189
R-04 COWINS Partnership Agreement Impacts	$531,675
R-07 Annual Fleet Replacement	$0
R-08 Equity Office Agency Funding Realignment	-$653,416
Total	**$570,448**

DPA and Other Requests Combined	GF (FY26)
DPA Operating Requests Total	-$508,704
Requests Impacting Other Agencies Total	$570,448
Net Total	**$61,744**

R-01 Office of Administrative Courts Staffing

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$292,468	$298,248
FTE	2.8	3.0
General Fund	$0	$0
Cash Funds	$0	$0
Reappropriated Funds	$292,468	$298,248
Federal Funds	$0	$0

- What does the request seek?
  - $292K increase in RF
  - 2.8 FTE & 3.0 FTE ongoing
- Why is it necessary?
  - To comply with federal Medicaid requirements for turnaround times
  - To meet caseload growth in other areas including CDHS and the Department of Education.
- What happens if it's not approved?
  - Imposition of a federal corrective action plan for HCPF / Medicaid cases
  - Inability to process certain CDHS cases within agreed upon timeframe
  - Turnaround times will continue to grow for other departments, including CDE.

R-01 Office of Administrative Courts Staffing

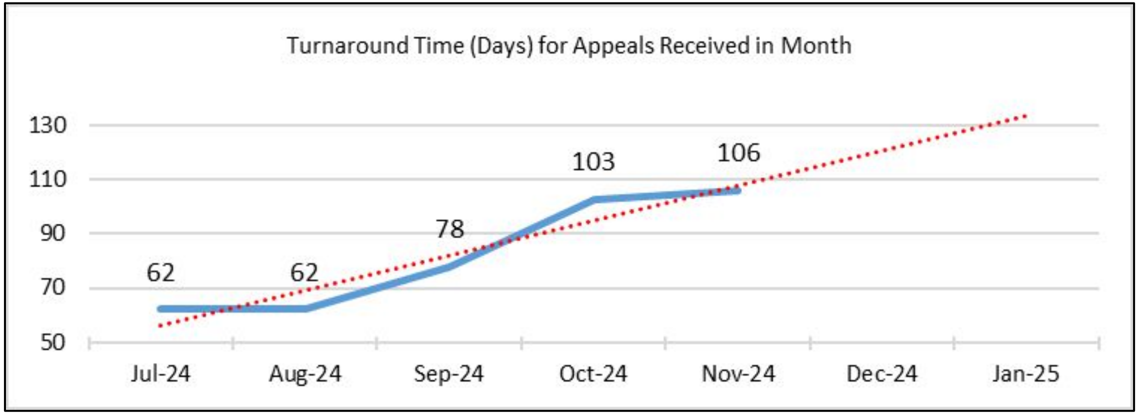
Question Responses

What are the current turnaround times for Medicaid cases?

- Turnaround time was approximately 38 days thanks to additional PHE temp staff through July 31
- For appeals received in July and August 2024, turnaround times averaged 62 days;
- For appeals received in September 2024, it is assumed the turnaround time will be >78 days;
- For appeals received in October 2024, it is assumed the turnaround time will be >103 days;
- Projection from June - October 2024, ~99% of HCPF final decisions will exceed the 90-day deadline.

Does the Office of Administrative Courts anticipate any difficulties in meeting 90-day federal requirement?

- Yes; As of now, new appeals hearings are being scheduled three months out,without new resources this trend will continue



R-02 Risk Property Valuation

- What does the request seek?
  - $600,000 increase in RF in FY 2025-26 ongoing.
- Why is it necessary?
  - To value all state owned and leased buildings and their contents in order to fully underwrite the financial loss exposure.
- What happens if it’s not approved?
  - The State will continue to experience increasing difficulty finding insurers willing to cover the State’s property at reasonable rates, due to inaccurate values.
  - State required to cover gaps between insured amounts and actual replacement costs

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$600,000	$600,000
FTE	0.0	0.0
General Fund	$0	$0
Cash Funds	$0	$0
Reappropriated Funds	$600,000	$600,000
Federal Funds	$0	$0

R-02 Risk Property Valuation

Question Responses

Provide a discussion addressing the circumstances that led to the State's property valuations not being assessed for more than 20 years

- Previously, the state had blanket insurance coverage for state properties and did not require current valuation to cover losses. This is a new requirement.
- Severe weather events, inflation and higher claim costs as well are resulting in an increase in insurance premiums and deductibles.
- Carriers now require updated valuations of properties to ensure accuracy including a schedule to value of all owned and leased buildings and on a regular basis.

R-03 Reducing Our State Footprint

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$692,189	$0
FTE	0.0	0.0
General Fund	$692,189	$0
Cash Funds	$0	$0
Reappropriated Funds	$0	$0
Federal Funds	$0	$0

- What does the request seek?
  - $692,189 increase in GF in FY 2025-26
- Why is it necessary?
  - To facilitate the reduction of the State's physical space footprint through early private lease termination and the consolidation of a State agency to excess capitol complex office space.
- What happens if it's not approved?
  - Instead of paying an $692,189 now, the State will pay an estimated $1,520,924 in rent payments over a period of 40 months for leased space no longer needed or being fully used.
  - Estimated net savings: $828,736 ($608,292 GF)

R-03 Reducing Our State Footprint

Question Responses

What are the Department's efforts to reduce the amount of leased space square footage across all state departments and agencies?

- The Reduce our Footprint
  - Comprehensive space needs analysis for 21 agencies
  - Lease contract renegotiation and cancellations to reduce costs
  - Renovating state owned space to increase efficiency
  - P3 projects to maximize beneficial use of state property
- Progress to date since FY21:
  - Statewide underutilized space reduced by 451,179 sf
  - Resulting lease savings Approx. $10M total funds annually.
  - Additional 350,000 sf targeted for next three years

R-04 COWINS Partnership Agreement Impacts

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$531,675	$2,171,722
FTE	3.8	4.0
General Fund	$531,675	$1,802,637
Cash Funds	$0	$0
Reappropriated Funds	$0	$369,085
Federal Funds	$0	$0

- What does the request seek?
  - $531,671 increase in GF in FY26 and increases of $1,802,637 GF and $369,085 RF in FY27
  - 3.8 FTE in FY26 and 4.0 FTE ongoing
- Why is it necessary?
  - The State and COWINS agree to jointly seek:
    - FTE for data management needs
    - CSEAP resources
    - Professional development
    - Out year funding for the implementation of workplace studies ongoing currently
- What happens if it’s not approved?
  - The Department will not have the funding to support the additional resources and FTE needed to implement the terms of the State’s new PA. Failure to meet these terms may result in the reopening of the negotiations per Article 33.1.

R-04 COWINS Partnership Agreement Impacts

Question Responses

Provide discussion regarding the requirements of Article 32.9 of the COWINS Partnership Agreement (Housing Premiums/Workgroup)

- A lack of housing inventory, and the high cost of housing are presenting challenges in recruitment and retention in certain parts of Colorado
- During negotiations, COWINS sought housing stipends for state employees to pay for, or defray the cost of their rent or mortgage debt
- Agreement was reached to establish an employee housing workgroup intended to identify potential proposals for consideration in future budget requests
- Additionally, the partnership agreement ensures the state seeks funding of $1.7 million in FY27 & FY28 to implement pilot programs to be developed by the working group

R-04 COWINS Partnership Agreement Impacts

Question Responses Continued

Provide discussion regarding the requirements of Article 8.3 (A) of the COWINS Partnership Agreement that requires the Department to seek three additional staff resources for CSEAP.

- The COWINS Partnership Agreement directs the state to seek additional funding to hire new CSEAP FTE to provide:
    - American Sign Language-fluent counseling
    - Spanish-fluent counseling
    - Increased access to conflict management support.
- Demand for counseling, coaching, mediation, and facilitation have outpaced the ability of CSEAP staff to provide some services in a timely manner.

Does the current COWINS Partnership Agreement take the State's current financial situation into account, vis-à-vis the September 2024 revenue forecast?

- March & June forecasts were used; Negotiations concluded August 9, 2024.

DPA

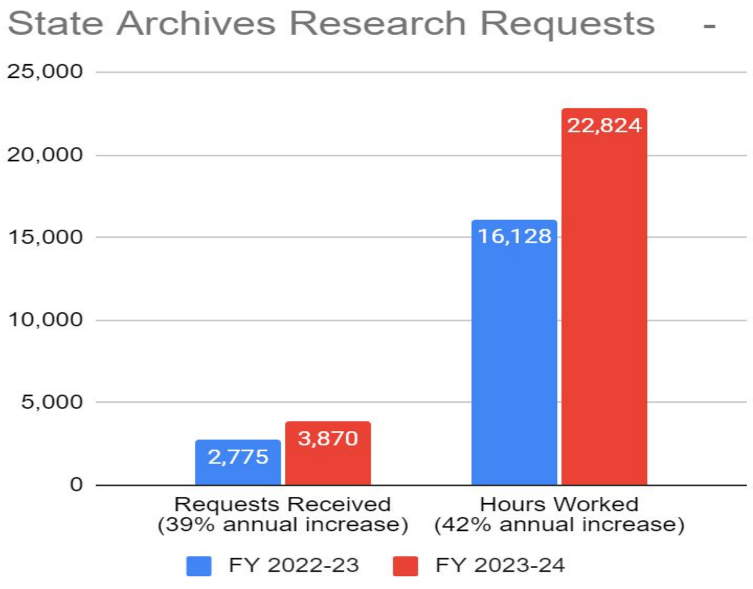
R-05 State Archives Research Desk Staffing

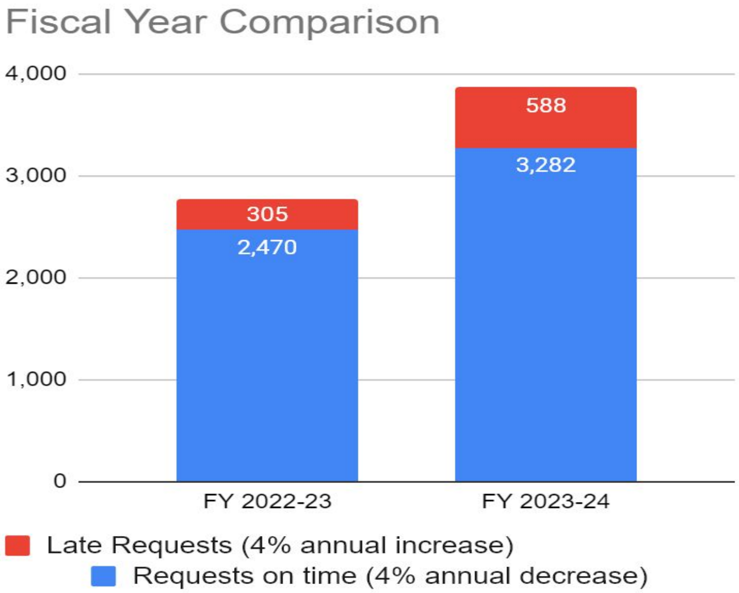
	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$78,440	$78,708
FTE	0.92	1.0
General Fund	$78,440	$78,708
Cash Funds	$0	$0
Reappropriated Funds	$0	$0
Federal Funds	$0	$0

- What does the request seek?
  - $78,440 increase in GF in FY 25-26 & $78,708 ongoing
  - 0.92 FTE in FY 25-26 & 1.0 FTE ongoing
- Why is it necessary?
  - The requested FTE needed to address workload associated with increases in research requests within State Archives
- What happens if it's not approved?
  - State Archives will not be able to meet the increased demand to get records to paying customers in a timely manner including customers seeking records for public benefits and other legal needs such as applying for dual citizenship.

R-05 State Archives Research Desk Staffing

Please provide a discussion on the current level of service (e.g, number of requests, wait times for responses, etc.) and customer satisfaction?





*Goal: process requests within 42 business hours

R-06 Address Confidentiality Resources

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$557,619	$605,529
FTE	3.34	4.0
General Fund	$557,619	$605,529
Cash Funds	$0	$0
Reappropriated Funds	$0	$0
Federal Funds	$0	$0

- What does the request seek?
  - $557,619 GF increase in FY 25-26 & $605,529 ongoing
  - 3.34 FTE in FY 25-26 & 4.0 FTE ongoing
- Why is it necessary?
  - To backfill the loss of federal grant funds and 4 associated positions, realign the appropriation for increases in postage related expenses, resources for outreach services to focus on underserved areas of the State.
- What happens if it's not approved?
  - The program will not be able to continue funding positions and victims will face barriers to accessing a statutorily required and potentially life-saving service.
  - Remaining permanent ACP staff would be devoted to day to day operations and unable to support critical caseload management and outreach.

R-06 Address Confidentiality Resources

Question Responses

Does the Address Confidentiality Program qualify for any of this additional revenue to be generated by the passage of Proposition KK during the 2024 general election?

- DPA anticipates ACP will qualify for this revenue

Please discuss the use of these federal funds by the Address Confidentiality Program and the reasons for the anticipated reduced awards.

- VOCA grant used for printing, postage, mail fees, personal services expenses
- Decline federal funding primarily due to decreases in federal penalties collected

Is there a link between funding for the Address Confidentiality Program and fees and penalties assessed by judges on those who have been convicted of a crime?

- Fines for convictions for domestic violence, stalking, and human trafficking, not sexual offenses
- Fines are difficult to collect and judges often waive the fine or reduce the amount

DPA

R-07 Annual Fleet Replacement

- What does the request seek?
  - $5,897,217 increase in RF for FY 2025-26 and ongoing.
- Why is it necessary?
  - To align State Fleet Management's (SFM's) appropriation with expenditures associated with delivered vehicles. The amount covers the cost of 552 replacement vehicles for FY 2025-26.
- What happens if it's not approved?
  - The State would not be able to mitigate maintenance expenses through Fleet replacements, or minimize life, health and safety issues inherent to operating an older fleet, especially for emergency responders.

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	$5,897,217	$5,897,217
FTE	0.0	0.0
General Fund	$0	$0
Cash Funds	$0	$0
Reappropriated Funds	$5,897,217	$5,897,217
Federal Funds	$0	$0

R-07 Annual Fleet Replacement

Question Responses

Discuss the costs and benefits of delayed maintenance for the State's fleet.

- Adheres to industry guidelines for vehicle maintenance
- Evaluates maintenance and repair requests to determine necessity
- Spends around $11 million per year on maintenance and repairs.
- Preventive maintenance
  - Ensures compliance with vehicle warranty requirements
  - Avoids higher costs for repairs made necessary by neglecting maintenance
- Delaying maintenance
  - Creates a liability to the State due to poor or non-performing vehicles
  - Creates a potential for programmatic disruption
  - Results in a decrease in residual values when vehicles are sold

R-07 Annual Fleet Replacement

Question Responses Continued

Discuss the costs and benefits of leasing vs buying vehicles for the state fleet?

- **Trust Financing Model (current):**
  - State buys from trust as lease purchase
  - Acquire vehicles at lowest cost
  - Option to sell or retain vehicle
  - Maximize vehicle outfitting cost
  - Control the lifecycle of each vehicle/selling at peak value
- **Closed-Ended Lease Model**
  - Higher financing rates
  - Lender controls lifecycle
  - Undesirable return timelines
  - Lender considers residual value in lease terms
  - Can’t leverage TCO
  - Potential penalty fees
  - Limited ability to maximize vehicle outfitting costs

R-08 Equity Office Agency Funding Realignment

- What does the request seek?
  - Transfer of $653,416 from DPA's GF to other state agencies beginning in FY 2025-26
- Why is it necessary?
  - The request is to align the funding for the appropriated 9.0 FTE allocated through H.B. 22-1397 with their associated state agencies.
- What happens if it's not approved?
  - The funding for the allocated FTE will continue to remain bifurcated requiring the agencies to request Salary Survey, Step Pay & centrally appropriated funds, while DPA provides the respective base salary budget amounts.

	FY 2025-26 Request	FY 2026-27 Request
Total Funds	($653,416)	($653,416)
FTE	0.0	0.0
General Fund	($653,416)	($653,416)
Cash Funds	$0	$0
Reappropriated Funds	$0	$0
Federal Funds	$0	$0

R-08 Equity Office Agency Funding Realignment

Question Responses

What is the basis for the 9.0 FTE? How was the staffing need calculated?

- Staffing needs calculated based on specific duties from each agency
- Funding and establishment of this Office was the result of the WINS Partnership
- These roles were ultimately established in legislation, and provide funding to DPA, CDHS, DORA, HCPF, & DOR

R-08 Equity Office Agency Funding Realignment

Question Responses

How has the Office coordinated equity efforts and initiatives across state agencies?

- The Equity Office serves multiple functions. Statewide initiatives include:
    - Manages 4 current communities of practice including employees and external partners
    - Ensures compliance with the COWINS Partnership Agreement by:
        - Provides tiered training curriculum development and facilitation
        - Supporting each agency in the development of EDIA Strategic Plans and best practices for policies, recruitment, etc.
        - Reports quarterly to the Statewide Labor Management Committee
    - Manages the Supplier Diversity Program incl. bond assistance
    - Provides State agencies with a comprehensive and customizable assessment tool to evaluate and enhance their HR practices with a focus on equity.

R-08 Equity Office Agency Funding Realignment

Question Responses Continued

What is the total number of equity officers or staff in each state department and agency?

- Currently, 37 equity staff are employed across all agencies to promote EDIA to state employees

Of the 10.0 FTE funded in the Department of Personnel for the Colorado Equity Office, how many FTE have been filled?

- The funding in the Colorado Equity Office bill was sufficient to hire 6 FTE
- 5 additional equity FTE were hired in DPA through other appropriations (ADA and equity in procurement legislation)

DPA

Operating Common Policies

Risk Management Common Policy Trends

Question Responses

Discuss the trends the Department sees in the Risk Management common policies, around liability claims and property policies, deductibles, and payouts.

- Property risk trends
  - Property insurance carriers face major losses worldwide due to fires, floods and hurricanes
  - Inflationary increases driving up replacement costs and insurance payouts
  - Colorado facing premium increases up to a 20% in disaster-prone areas for wind/hail.
  - Policy changes result in an increase to the State’s self insurance costs
    - Example: wind/hail claims deductibles are now 3% of the total insured value vs. the flat $1 million deductible in the past

DPA

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Risk Management Common Policy Trends

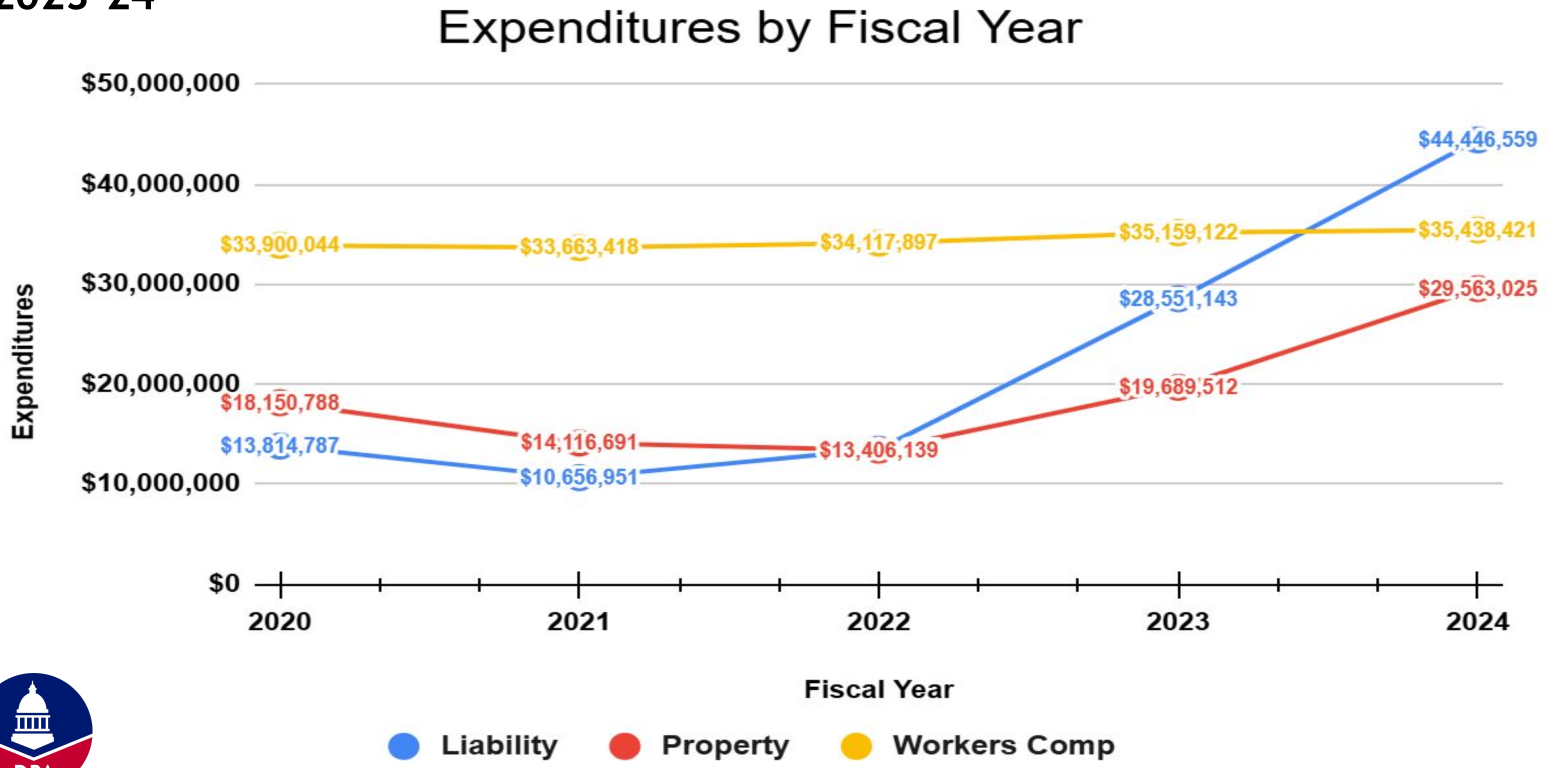
Question Responses Continued

- Liability risk trends
  - Inflation and the current policy landscape resulting in increased court awards and settlements
  - Legislation passed in recent years increased liability exposure
    - Example: S.B. 20-217 Enhance Law Enforcement Integrity
      - $5.7 million paid to 23 claims
  - High Cyber claims costs
    - Example: $9M paid to 12 cyber claims in FY23 and FY24

Risk Management Common Policy Trends

Question Responses Continued

Please include details on the significant increases in liability and property expenditures in FY 2023-24



Risk Management Common Policy Trends

Question Responses Continued

What programs and activities does the State Office of Risk Management operate and engage in to address the root causes driving the increased costs of liability claims and property policies, deductibles, and payouts?

- Mandatory Training
    - Human Resources
    - Cyber Security
- Universal Policies
    - Safe Driving
- Office of Risk Management Safety Training and Resources
    - Ergonomics
    - Job Safety
    - Fire Prevention

Risk Management Common Policy Trends

Question Responses Continued

Provide an update on the implementation impacts of S.B. 21-088, S.B 22-097, and S.B. 22-163 on the Risk Management common policy

- S.B. 21-088 Child Sex Assault
  - The Colorado Supreme Court determined this law was unconstitutional in June of 2023.
- S.B. 22-097 Whistleblower Protection Health & Safety
  - Risk management has not seen a significant impact from this legislation at this time.
- S.B. 22-163 Remediation of State Procurement Disparities That Affect Historically Underutilized Business
  - No additional impact to state risk beyond funding the bond assistant program

Common Question

Replacing One-time GF or ARPA with Ongoing

Question Responses

Describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations

- R-04 COWINS Partnership Agreement request 1.0 FTE conversion to permanent
  - Request 1 FTE ongoing to manage data-tracking and administrative requirements of the COWINS Partnership Agreement
  - Original request in FY 23-24 $103,244 (GF)
  - Ongoing request in FY 25-26 102,637 (GF)

Statewide Compensation Questions

Statewide Compensation

Question Responses

Is there a way to plan funding for a staggered hiring process?

- All new FTE requests assume a one month payroll lag
- Departments often initiate the hiring process before the end of the prior fiscal year in an effort to fill the new position by August.
- Agencies can request funding levels in the initial year to align with postponed hiring.

Statewide Compensation

Question Responses

What are the different ways that departments use vacancy savings? How much does it vary by agency?

- DPA does not have insight on the utilization of vacancy savings at other agencies. DPA typically uses vacancy savings in the following ways:
  - Temporary pay differentials
  - Temporary Employees
  - Temporary Staffing/Vendors
  - Leave payout
  - Overtime pay to cover for work otherwise left unaddressed by vacancies
  - Personal Services Contracts
  - Compensation for positions funded at minimum

Statewide Compensation

Question Responses

What is the budgetary impact of absorbing 100% of all health insurance increases over the next three fiscal years?

Impact of 100% HLD Cost Increase Absorbed by the State (Comparison of 100% coverage vs first $20M, then split)

	New PA Total Funds	Former PA Total Funds	Difference in Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2025-26 Incremental	$49,957,645	$46,422,643	$3,535,002	$1,790,350	$939,534	$437,046	$368,072
FY 2026-27 Incremental	$53,704,468	$49,727,341	$3,977,127	$2,014,270	$1,057,042	$491,708	$414,107
FY 2027-28 Incremental	$57,732,303	$53,279,891	$4,452,412	$2,254,984	$1,183,363	$550,469	$463,595
Total	$161,394,416	$149,429,875	$11,964,541	$6,059,603	$3,179,939	$1,479,223	$1,245,775

Statewide Compensation

Question Responses

Describe what the Steps 2.0 working group is and what the plan is for the third year of the current Partnership Agreement.

- Four representatives appointed by the Governor; and

  Four representatives appointed by COWINS
  - Prioritize the goals of the step pay plan
  - Identify potential designs of a step pay plan
  - Complete full implementation planning and costing

Concerning the critical staffing incentives, would this amount fund bonuses for vacant positions?

- Calculations were based primarily on filled positions (99.8%)
- These are equally distributed non-base building incentives

General Questions

General Questions

Question Responses

$239M Reappropriated: How much originates as General Fund?

- Actual fund sources are determined by each State agency
- An estimated $73.7M (42%) of funds received for operating common policies and fleet vehicle lease payments originate as General Fund
- DPA does not have visibility into sources of funds used to pay for non-common policy services such as IDS and fleet repair/maintenance

General Questions

Question Responses

What are the different ways that salary costs for contracted employees are represented in the Long Bill?

- The DPA Long Bill does not include contractor-specific funding
- Contractors are paid from personal services or program line items
- Agencies have dedicated line items used for contractors include 24x7 programs

How many actual employees and how many contracted employees are there in the State?

- 37,656 permanent, term limited, and temporary staff are employed by the Executive, Legislative, and Judicial Branches (excl. IHEs)
- The State does not track the number of contract staff on a statewide basis
- Most contracts are service-based contracts

DPA

General Questions

Question Responses

How would cutting General Fund from total compensation potentially impact federal matching funds?

- DPA does not have any programs with federal match components
- Other departments are likely to lose federal funds if General Fund is cut

What would be the impact on drawn-down federal funds if General Fund were cut at 1-5% of total compensation?

- DPA does not have insight into other agency's federal match revenue
- Matches vary by federal program
- GF reductions are likely to impact federal matching revenue
- The impact on federal revenue depends on the negotiated rate for every GF dollar spent

Budget Reduction Options

Budget Reduction Options

Question Responses

With regard to the Supplier Database Cash Fund, how does the 1.0 percent rebate on statewide price agreements function to provide revenue for the Fund?

- Price agreements save money and time through bulk buying power
- Each quarter, vendors pay 1% on price agreement purchases to the State's Supplier Database Cash Fund in exchange for being included on it.

What are the specific criteria a state employee must meet in order to be eligible for the Supplemental State Contribution Program?

- Enrolled (or willing to enroll) in State medical insurance plan
- Dependent children enrolled in a State medical plan
- At least one dependent not covered by Child Health Plan Plus (CHP+)
- Household income at or below 300% of the federal poverty level

Budget Reduction Options

Question Responses

Discuss the operational and cost differences between the prior year budget requests concerning the Office of Sustainability.

- **Requests/Legislation associated with Office of Sustainability**
  - FY 23-24 Centralized Sustainability Office
    - $478,234
    - Director and staff assigned to greening government priority areas
  - FY 24-25 Greening Colorado State Government
    - $246,155
    - Director and One time $1.4 million for lawn equipment electrification
  - SB24-214 Implement State Climate Goals
    - $400,000
    - Director and annual funding for greening government priority areas including electrification of lawn equipment.

Thank you!

Department of Personnel

FY 2025-26 Joint Budget Committee Hearing

Monday, December 2, 2024

1:30 pm – 3:30 pm

Common Questions For Discussion at Department Hearings **(COMMON QUESTIONS ARE STILL BEING FINALIZED AND ARE SUBJECT TO CHANGE)**

1 Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:

a. Original fund source (General Fund, ARPA, other), amount, and FTE;
b. Original program time frame;
c. Original authorization (budget decision, legislation, other);
d. Requested ongoing fund source, amount, and FTE; and
e. Requested time frame (one-time extension or ongoing).

Response: The Department's R-04 COWINS Partnership Agreement requests the conversion of 1.0 FTE term-limited staff to permanent staff. The request provides the resources required to administer the data management needs of the PA and associated working groups while leveraging institutional knowledge gained in the most recent Step Pay implementation cycle. This position would address ongoing resource shortages and workload associated with the new PA; facilitate the integration of time in job series data related to step pay (utilizing multiple workforce databases and reporting processes); and support the critical redesign and management of the statewide COWINS Personal Contact Information Opt Out Management Procedures (employees' option to opt out of the State's statutory requirement to provide personal contact information of covered employees with COWINS). DPA currently has 1.0 FTE that manages the COWINS opt out process for the Executive Branch and Institutions of Higher Education.

a. Original fund source is General Fund, $103,244, 1.0 FTE
b. Original program time frame is through December 30, 2024
c. FY 2023-24 Long Bill for the Department of Personnel & Administration's FY 2023-24 R-03 request as approved
d. Requested 1.0 FTE and $ 102,637 General Fund
e. The request is for ongoing resources

Operating Common Policies

Risk Management

2. *[Sen. Amabile]* Please discuss the trends the Department sees in the Risk Management common policies, in particular around liability claims and property policies, deductibles, and payouts.

a. Please include details on the significant increases in liability and property expenditures in FY 2023-24

Response: Increases in State Risk Management liability and property expenditures is consistent with industrywide increases in insurance premiums and claim payments.

Property increases are driven by the following:

- Overall property insurance carriers have been impacted by major losses in prior years due to fires, floods and hurricanes. These large insurance losses drive the insurance carriers to increase premiums and in 2024 insurance companies increased premium renewals up to 20% in catastrophic prone areas. Colorado is a wind/hail catastrophic prone area. Carriers responded by increasing retention/deductibles following major losses across the country and around the world.
- The State's paid property losses also increased in recent years leading to higher premiums and higher expected losses in the future. Large losses have primarily been driven by hail storms, as well as other storms, fires, and vandalism.
- Inflationary increases have caused replacement costs to rise dramatically and overall claims losses were higher than anticipated.
- Changes in deductibles include a structured approach to wind/hail claims equal to 3% of total insured value of a location rather than a flat $1 million deductible. Multiple years were impacted by very large wind/hail claims, with damages in 2022, 2023, and 2024 exceeding $27 million.

Liability increases are driven by the following:

- In response to inflation and the current social justice landscape, court awards and settlements have increased over the past three years.
- Legislation passed in recent years has increased liability exposure. One such bill is S.B. 20-217 Enhance Law Enforcement Integrity. To date, the state has received 23 claims since the passage of this legislation.
- Since January 2023, State Office of Risk Management (SORM) has paid over $9M in cyber related claims with no recovery from insurance, since no individual case exceeded the $5M retention.

Future considerations placing pressure on the State risk funds include:

- Future liability exposure may be less predictable, as the state no longer has excess liability insurance. The loss of this coverage is due to insurance market factors and the aforementioned legislation.
- H.B. 21-1110 mandated all Colorado government entities develop an IT accessibility plan and comply with standards. H.B. 24-1454 granted an extension for compliance of July 1, 2025 as long as good faith efforts were

made. The State may see associated liability claims beginning in FY 2025-26, though these have not been incorporated into common policy.

- Due to the passage of S.B. 24-149, SORM anticipates fewer full/final settlements in the coming years due to this bill. Without full resolution of workers' compensation claims there is exposure related to future medical expenses, lost wages and increased permanent impairment costs related to those claims and potentially new claims from employees that continue as State employees.

b. What programs and activities does the State Office of Risk Management operate and engage in to address the root causes driving the increased costs of liability claims and property policies, deductibles, and payouts?

Response: State Office of Risk Management (SORM) works closely with its insurance broker to identify insurance market trends that impact its programs and evaluate possible insurance products that may transfer some risk away from State funds. These are cost/benefit analyses and are reviewed based on loss history, potential for claims, and overall cost of the product. Investigations and follow up training is available on workers' compensation losses through the State's Employee Safety Program.

Site inspections are available to Departments related to identifying risk factors for workers' compensation, liability and property losses. Programs like ergonomic evaluations, defensive driving, and site inspections are available to all SORM pool members.

SORM also engages the Attorney General's Office on assisting Departments with personnel related claims and investigations with an eye on minimizing exposure related to future claims. Finally, SORM assists in the development of statewide policies intended to reduce risk and encourage safe work practices. One such example are recent changes to the state's employee driver standards policy.

In addition, the State provides mandatory HR related training, including, preventing discrimination and harassment in the workplace, ethics and conflict of interest, preventing sexual harassment in the workplace, and preventing workplace violence. Universal policies also exist, including ADA, Drug and Alcohol, EDI, and weather and safety.

3. *[Rep. Sirota and Sen Amabile]* Please provide an update on the implementation impacts of S.B. 21-088, S.B 22-097, and S.B. 22-163 on the Risk Management common policy.

Response:

- S.B. 21-088 Child Sex Assault - The Colorado Supreme Court determined this law was unconstitutional in June of 2023. The court's decision was based on the following:
    - The bill created a new right for plaintiffs, which created a new obligation for defendants.

    - The bill violated the State's retrospectivity clause, which prohibits reviving claims that are time-barred by the statute of limitations.
    - The bill indirectly accomplished the same ends as reviving a time-barred claim.
- S.B. 22-097 Whistleblower Protection Health & Safety - Risk management has not seen a significant impact from this legislation at this time.
- S.B. 22-163 Remediation of State Procurement Disparities That Affect Historically Underutilized Business - SORM covers the annual fee to the broker that is handling the Bond Assistance Program, which is currently $50,000 per year. The program is managed by the Equity Office. At this time there have been no claims related to this legislation. The program helps anyone that calls into the line, not preferences just to historically underutilized business.

4. *[Sen. Kirkmeyer and Sen Amabile]* With regard to the Department's R2 (State property risk valuation) request, please provide a discussion addressing the circumstances that led to the State's property valuations not being assessed for more than 20 years.
    a. Please detail the Department's schedule for valuing both state-owned buildings and state-owned business person property at both state-owned and privately leased properties.

    Response:

    Historically, insurance carriers allowed blanket coverage of properties, which meant the Department was not required to pay for a full property valuation exercise. Due to an increase of severe weather events as well as in response to higher claim costs, arising from the increasing cost of goods and services, carriers now only insure to the amount listed on the statement of values and now require valuations of properties to ensure accuracy.

    The current insured value of the State's property is assessed based on purchase price, build price, properties of similar type, and other sources of information. Annual inflationary updates are applied by the insurance brokers, but these do not constitute actual replacement cost valuations. Insurers require a better picture of the risk they are insuring and the current values are based on old potentially under-valued estimates. Insurance recovery is limited to the total insured values the Department reports, meaning in the event of a total loss, the uninsured costs (those above current estimated value) would fall back on the State.

Capitol Complex Leased Space

5. *[Rep. Taggart]* Taking into account the Department's R3 (Private lease early termination) *request*, what are the current plans for addressing leased office space by state departments and agencies in light of the trend of remote and hybrid work places?

a. Please discuss the Department's efforts to reduce the amount of leased space square footage across all state departments and agencies.

Response: During the COVID Pandemic, the State of Colorado embarked on a statewide initiative to reduce the State's physical space called "Reduce Our Footprint." This initiative included 21 State departments and agencies under the Governor's purview and was led by DPA.

Between FY 2020-21 and FY 2023-24, the Reduce Our Footprint initiative reduced the State's footprint by 451,179 square feet (304,863 square feet leased and 146,316 square feet owned). Further, the Department targets an additional 350,000 square foot reductions over the next three fiscal years. Based on an average savings of $19 per square foot per year, the Reduce Our Footprint initiative currently saves state agencies around $10 million annually in lease space costs, and is intended to continue on this trajectory pending legislative support of this request.

The Reduce Our Footprint initiative has been successful thanks to a series of strategies made possible by the use of remote and hybrid work. A hybrid workforce presented a unique opportunity to consolidate space, options and save taxpayers money. Specifics include: comprehensive space needs analysis, state owned portfolio investment, lease contract renegotiation and cancellations, and unused and underutilized asset sales and deployment.

The Reduce our Footprint initiative seeks to ensure state owned and leased space matches the level of utilization required of a hybrid workforce.

State Fleet Management

6. *[Sen. Kirkmeyer]* Please discuss the costs and benefits of delayed maintenance for the State's fleet.

Response: The replacement cycle maximizes the state of readiness and mitigates health, life, and safety issues. Delaying maintenance on existing vehicles in the State Fleet creates a liability to the state due to poor or non-performing vehicles and will increase future maintenance cost.

Delayed maintenance also results in a decrease in residual values when vehicles are sold or used as temporary replacement vehicles. It is vital to have vehicles available for reassignment to maintain a state of readiness. Insufficient vehicles available for reassignment will cause a decline in service levels for State agencies. Eventually services could be disrupted as small issues escalate into major problems.

Retaining older vehicles prevents the State from adding more fuel-efficient technologies into the fleet as well.

7. *[Sen. Kirkmeyer]* Please discuss the costs and benefits of leasing versus buying vehicles for the state fleet.

Response: The State uses a trust financing model to acquire state fleet vehicles. The state fleet trust purchases the vehicles and the state buys the vehicle from the trust as a lease purchase. This allows State Fleet Management to initiate vehicle acquisition at a low cost, and at the end of the lease the State has the option to retain each vehicle in the event doing so is in the best financial interest of the State agency.

Vehicles designated as vocational are specialized and outfitted with attachments such as ladder racks, lift gates, partitions and ADA lifts. Vehicle modifications, often after-market, are expensive and can range from $11,000 to $80,000; potentially exceeding the value of the vehicle. Therefore, the state will either maintain the vehicle for the longest possible lifecycle (due to the value of the modification) or sell the vehicle when the residual value is at its peak with the modifications in place.

In the event of a transition to closed-ended leases(ending the option to own), the following considerations would result in increased costs:

- Each lease would have a higher financing rate and the lender would be in control of the lifecycle of the vehicle.
- The lender could demand vehicles returned on undesirable timelines. The lender will primarily consider the residual value of the vehicle. Because of multiple variables, the lowest Total Cost of Operation could occur at any time during the vehicle life cycle. If the lessor's recommendations are not followed the lessee would typically incur a penalty fee.
- The State could be responsible for all of the modifications of the vocational vehicles causing an increase in overhead. Potentially, the modification would stay with the returned vehicles upon expiration of the lease, or there would be an expense to remove the modification pre-turn in, incurring another financial loss.

In addition, SFM would need to consider the status of the existing trusts and the cost of the outstanding debt. A complete transition to a new financial model would entail divesting of roughly $30 million in outstanding obligation.

Finally, the cost of overhead during a lease could negate any cost savings in the long term. In a closed-end lease, maintenance of the vehicles could be outsourced. However, SFM is already structured to provide routine maintenance of the vehicles in a cost effective model. The resources will exist in parallel with the outsourcing.

Decision Items

R1 Office of Administrative Courts (OAC) Staffing

8. *[Sen. Kirkmeyer]* With the Office of Administrative Courts being required to meet a 90-day turnaround time for Medicaid cases in July 2025, what are the current turnaround times for Medicaid cases?

   Response: The Department of Health Care Policy and Financing (HCPF) must issue its final agency decision within 90 days from the request for hearing (or appeal) pursuant to federal regulation. Therefore, the Office of Administrative Courts must turnaround a case (hold a hearing and issue an initial decision) within 60 days so HCPF has sufficient time to meet the 90-day deadline.

- Thanks to the extra staff funded by the PHE Unwind appropriation, the OAC's -turnaround time averaged 37 days.

Since the extra staffing decreased, the following turnaround times are anticipated:

- Turnaround times for appeals closed in September and October 2024 averaged 62 days.
- For new appeals received in September 2024, the turnaround time is expected to exceed 78 days.
- For new appeals received in October 2024, the turnaround time is expected to exceed 103 days.
- Due to staffing shortages, the initial hearings are being scheduled between 60-85 days from the hearing request rather than the targeted 25-35 days.

As of October 31, 2024, HCPF documented 1,059 pending cases that exceeded the 90-day decision deadline. HCPF projects that for appeals filed from June through October 2024, approximately 99% of its final agency decisions will exceed the 90-day deadline.

9. Does the Office of Administrative Courts anticipate any difficulties in meeting this upcoming federal requirement?

   Response: Yes, OAC anticipates difficulty with ensuring HCPF can meet the federal requirement due to a lack of staffing for the high caseload. The OAC is on course to far exceed a 60-day turnaround since it is presently scheduling new appeal hearings (appeals received in November 2024) into February 2025.

R4 COWINS Partnership Agreement Resources

10. *[Rep. Bird]* Please provide a detailed discussion regarding the requirements of Article 32.9 of the COWINS Partnership Agreement that outlines housing premium for state employees and the establishment of a housing workgroup to investigate housing availability and affordability issues for state employees.

    Response: Housing availability and affordability are causing difficulties in recruitment and retention in some areas of the State that have high housing costs and require critical services such as public safety and road maintenance.

    During negotiations, WINS sought additional pay for state employees to pay for or defray the cost of their rent or mortgage debt. Through negotiation, agreement was reached on the establishment of a housing workgroup to begin no later than March 31, 2025. The workgroup will identify potential proposals for consideration in future budget requests, which may include State-sponsored housing vouchers and state employee housing assistance programs. The parties also agreed to mutually seek funding of $1.7 million in fiscal years FY 2026-27 and 2027-28 to implement pilot programs based on the workgroups recommendations. The workgroup is on track to begin in January 2025.

11. *[Rep. Taggart]* Please provide a detailed discussion regarding the requirements of Article 8.3 (A) of the COWINS Partnership Agreement that requires the Department to seek three additional staff resources for the Colorado Employee Assistance Program (CSEAP).

Response: During negotiations, WINS raised concerns about the ability of CSEAP to manage Interpersonal conflicts between state employees, managers, and departments in a culturally competent manner. As a result of the negotiations, and in compliance with the Partnership Agreement article which states in part:

> "The Parties shall pursue a comprehensive approach to advancing equity for all who have been historically underserved, marginalized, and adversely affected by generational poverty and inequity. Affirmatively advancing equity, civil rights, racial justice, and equitable opportunity is the responsibility of the whole of our State government." The State will "Seek funding in the amount of no less than $300,000 per fiscal year to expand the CSEAP program with three (3) additional CSEAP resources whose focus centers on multicultural, intercultural, and culturally-competent counseling services; professional coaching and training, mediation and reparative justice practices to resolve interpersonal employee conflicts and encourage inclusivity in the workplace."

If approved, the additional resources will fund new CSEAP positions which will provide American Sign Language-fluent counseling, Spanish-fluent counseling, and increased access to conflict management support.

Despite a 2022 increase in CSEAP funding, demands for counseling, coaching, mediation, and facilitation have outpaced the ability of CSEAP staff to provide these services in a timely manner. Mental health counseling will frequently take precedence over providing services such as professional coaching, conflict coaching, facilitation, or mediation. By adding the requested resources, CSEAP can increase availability of the services mutually identified by COWINS and the State as necessary in meeting the agreements of Article 8.3 (A). Currently,

- Due to limited resources and the prioritization of mental health counseling cases, CSEAP staff typically spend less than 4 hours per month on workplace conflict management services.
- CSEAP providers currently manage an average of 97 active counseling cases per year and can spend 20+ hours on a case depending upon type of counseling (i.e. individual, couple, family) and acuity (i.e. safety concerns, serious mental illness, etc.).
- State employees typically wait up to 30 days from the time of initial contact until their first counseling appointment.

- Provider case numbers are variable and dependent upon other assigned job duties. For example, a provider may manage over 100 clinical cases per year while also managing 20 coaching cases per year. In order to ensure that clinical mental health needs are adequately met, conflict-related services are internally identified as ‘non-critical,’ which results in an extended wait for such services.
- Parties requesting mediation wait an average of 61 days between the initial request and the initial mediation while the average wait between initial request and first facilitation is 86 days.
- A review of mandated professional coaching (referrals are made by managers or appointing authorities to address conflict and/or conflict-contributing behaviors) indicates 59 days between initial consultation and initial coaching session.

a. What data or analysis was used in the development and negotiation of this provision?

Response: This request did not analyze data, and is in response to perceptions on behalf of COWINS related to CSEAP’s ability to respond to “historically underserved and marginalized populations.” This request seeks to meet the requirements of the partnership agreement by providing resources for the anticipated increase in workload in consideration of the current wait times anecdotally experienced by CSEAP staff.

12. *[Rep. Bird]* Does the current COWINS Partnership Agreement take the State’s current financial situation into account, vis-à-vis the September 2024 revenue forecast?

Response: No, the State based its projected budget for partnership agreement requests on the economic forecasts provided in March and June of 2024. Utilizing the September forecast was not feasible because negotiations were completed on August 9, 2024, prior to the September 2024 revenue forecast which was published on September 19, 2024. That being said, the economic portions of the Partnership Agreement were integrated into the balanced Nov 1 Budget which does account for the State’s current financial situation.

R5 State Archives Resources

13. *[Sen. Kirkmeyer]* Please provide a discussion on the current level of service (e.g., number of requests, wait times for responses, etc.) and customer satisfaction with the Colorado State Archives.

Response: The current public database, which went live in December 2022, has approximately 3.5 million records and continues to grow. With the implementation of a new request management system in May 2023, State Archives increased the ways a request can be submitted, including email, mail, phone, and online. As a result, research requests at the State Archives increased 39% in the past year.

In FY 2023-24, the median number of research requests was 337 per month, or 109 more requests than the median number of 228 over FY 2022-23. On average, it is estimated that Archives staff spend six hours per research request. At six hours per request for 109 requests, the resulting 558 hours of additional workload per month has fallen on current staff. There were 6,696 more hours spent processing research requests in Fiscal Year 2023-24. With request volume continuing at the same pace as in Fiscal Year 2023-24, the program can again expect to see at least an additional 6,696 hours of requests to process.

Based on data from June 1, 2023 to June 1, 2024, the requests with the largest turnaround time averages are:

- Incorporation records, 96 business hours;
- National Guard records, 86 business hours;
- General Assembly legislative audio, 79 business hours

In the same time period, the wait time for all averaged 51 business hours. The goal of State Archives is to process requests in an average of 42 business hours, which equates to seven business days for the research room. In FY 2023-24, 588 of 3,870 requests were processed over the 42 hour goal. That represents 15.19% of all requests, or 49 per month. These statistics are up from the prior year which saw 305 out of 2,775 requests, or 10.99%, that were processed over the 42 hour goal, with an average of 25 per month.

The Department expects the increase of delayed responses to continue to grow due to the trend in increased research requests and lack of staff to support the increase. The program does not track customer satisfaction formally, but customers have expressed concerns about delays particularly when the archival documents are required to qualify for public benefits or other legal reasons. For instance, the State Archives receives time sensitive requests for modern divorce and marriage records, which are requested in order to sign up for social security benefits, obtain Real ID driver's license, filing taxes or acquiring housing assistance. Delays in these types of requests, which make up 32% of their requests results in delayed benefits, which in turn results in low customer satisfaction.

In addition to the delays in research requests, the State Archives has a backlog of website remediation, required by recent disability accessibility legislation. State archives have no dedicated resources to meet these requirements. At the beginning of Fiscal Year 2024-25, the volume of documents of each type requiring remediation are as follows:

- Executive Orders (prior to the current administration): 507 current PDFs. These are expected to increase substantially as efforts continue to digitize and provide EOs online for free in the future;
- Retention Schedules: 549 PDFs, currently on website; and
- Committee Summaries: 511 PDFs, currently on website.

R6 Address Confidentiality Resources

14. *[Sen. Amabile]* Proposition KK establishes a maximum distribution of $30.0 million for crime victim services from revenue generated through a new sales tax on firearms, firearm parts, and ammunition. Does the Address Confidentiality Program qualify for any of this additional revenue to be generated by the passage of Proposition KK during the 2024 general election?

    Response: Proposition KK establishes the distribution of approximately $30 million of the Firearms and Ammunition Tax Revenue to crime victim services. The purpose of this revenue stream is to provide "Grants to local governments, law enforcement, and nonprofit organizations to provide crime victim services, such as on-site crisis response, counseling, legal advocacy, and emergency financial assistance, among others."

    The Address Confidentiality Program (ACP) is statutorily charged with serving eligible victim communities in the State of Colorado. This includes protecting the confidentiality of the actual addresses of relocated protected health-care professionals, victims of domestic violence, sexual offense, human trafficking, and stalking, in order to prevent victim's assailants or potential assailants from finding the victim through public records.

    Proposition KK also indicates programs funded through the new measure, currently receive a combination of federal and state funds. Federal funding for victim services comes from fines paid by people convicted of federal crimes, and the amount of federal payments to states has declined significantly in recent years. As outlined below the ACP is partially funded through federal VOCA funds and has seen a reduction in the amount of federal VOCA funds due to decreased funding/deposits into the Federal Crimes Victim Funds, that is why the DI was submitted. Based on the language outlined in Proposition KK and the services provided by ACP, we anticipate that ACP would qualify for this funding and request ACP receive some of the additional revenue to be generated, to supplement the reduction of the federal VOCA funds.

15. *[Sen. Kirkmeyer]* The request is rationalized partially on the need to backfill federal Victims of Crime Act grant funds. Please discuss the use of these federal funds by the Address Confidentiality Program and the reasons for the anticipated reduced awards.

    Response: The Address Confidentiality Program (ACP) applies for and uses federal VOCA grant funds to supplement the funding appropriated to the program to fulfill its requirement to provide crime victim services. The ACP is statutorily charged with serving the eligible victim community in the State of Colorado, by protecting the confidentiality of the actual addresses of relocated protected health-care professionals or victims of domestic violence, sexual offense, human trafficking, or stalking and to prevent victim's assailants or potential assailants from finding the victim through public records. More specifically the funds have been used to cover portions of postage and other IDS fees related to screening and sorting mail to fulfill the statutory requirement of forwarding mail to participants.

Since it was enacted in 1984, the Victims of Crime Act (VOCA) has been federally funded entirely through monetary penalties paid by federal offenders. VOCA directs these funds to the Crime Victims Fund (CVF), which is then distributed to states who determine end users/amounts including the ACP. The decline in VOCA federal funding is primarily due to a decrease in the amount of money collected from fines and penalties imposed on federal offenders. VOCA is entirely dependent on these monetary penalties and as federal prosecutions and fines have decreased, so has the pool of available funds.

In the past several years, federal VOCA funding steadily decreased from a high of $56.7 million in 2018 to a low of $18.2 million in 2021 due to a lack of deposits into the Federal Crime Victim Fund. For the VOCA fund grant cycle 2023-2024, the ACP requested $ 956,973 but was only awarded $728,608, which created the need for the Program to utilize $200,000 from other ACP appropriations (general and cash funds). ACP was again notified that the amount awarded for 2025 (which will be awarded January 1, 2025) would be reduced even further, by an additional $100,000, a 27% reduction from the previous two-year award's annual average.

The upcoming grant award for 2025 is not sufficient to cover postage and mail fees nor personal services costs normally associated with VOCA grants for the calendar year. The Department believes that the Program has sufficient funds to accommodate grant shortfalls and complete FY 2024-25 with existing appropriations and front-loading of grant expenditures. However, the grant funding is expected to run out three-quarters of the way through CY2025. The Program is anticipating personnel funding to last through the end of September 2025, and operating funding to last through the end of December 2025.

16. *[Sen. Kirkmeyer]* Is there a link between funding for the Address Confidentiality Program and *fees* and penalties assessed by judges on those who have been convicted of a crime? If so, please discuss this relationship and any consequences of discretion of the courts to assess fees and penalties.

    Response: The ACP program is appropriated General Fund and spending authority for the ACP Surcharge Fund via the Long Bill. Revenue to the ACP Surcharge Fund is generated from collection of a one-time assessment upon conviction (ACP receives $26.60 of each $28 assessment collected). Assessments are not necessarily collected at the time they are imposed. They may be collected (sometimes years) later, or not at all because judges can and do either remove the charge or reduce the amount, especially when the court receives evidence that the defendant is indigent. Even when a judge orders the full amount, if the defendant does not pay or pays in installments, the ACP fund is the last to be credited. Additionally, the surcharge is only imposed on convictions for domestic violence, stalking, and human trafficking but not sexual offenses.

    Municipal courts that hear domestic violence cases are also not required to apply the surcharge. In spite of all these variables, annual revenue collected remained relatively flat until FY 2022-23 when TABOR refunds were eligible for intercept which accounted for a $30k spike in revenue. The next year, FY 2023-24, revenue fell to $157,208 as collections dropped, matching the reduced revenue collected during the initial phase of pandemic shutdowns in FY 2019-20. Revenue has remained at levels slightly above the Long Bill cash spending authority for the program.

R8 Colorado Equity Office Funding Realignment

17. *[Sen. Amabile]* Please discuss the original staffing and cost assumption for the Colorado Equity Office, with regard to the fiscal impact of H.B. 22-1397 (Statewide Equity Office).

    Response: Originally outlined in Executive Order D 2020 175, the Department was directed "to lead State action on equity, diversity, and inclusion for the State of Colorado." This led to the creation of the Statewide Equity Office through HB 22-1397, for which the legislation noted the need for reappropriated funds in order to staff the 9.0 FTE in other agencies identified as necessary to coordinate Statewide equity, diversity, and inclusion (EDI) events. It is these reappropriated funds that the Department is now requesting to refinance to permanently align the funding with the respective FTE within each agency, which will allow the agencies to manage their own staffing budgetary needs such as Salary Survey, Step Pay, or centrally appropriated funds.

    a. What is the basis for the 9.0 FTE funded through this office but housed in each of these four departments? How was the staffing need calculated?

       Response: The staffing needs were calculated based on the specific duties needed within each agency, as an extension of the work being done by the 10.0 FTE in DPA. It was determined that within the agencies outside DPA, the expertise for specific equity work was best housed within those Departments, much like how Procurement Equity is housed within DPA.

18. *[Sen. Kirkmeyer]* Please discuss the role and responsibilities of the Colorado Equity Office.

    a. How has the Office coordinated equity efforts and initiatives across state agencies?

       Response: The Statewide Equity Office works with each agency and IHE in multiple ways:

       Community Engagement

       - Managing 4 communities of practice, engaging both agency leaders and community leaders with professional and lived experience to advise on equity related initiatives on a monthly basis. Complying with Article 8 of the COWINS Partnership Agreement, State Universal policy and Executive order D 2020 175.

- Run a community engagement library to support agency efforts in promoting Equity, Diversity, Inclusion, and Accessibility (EDIA) initiatives.
- Maintain a consistent statewide presence at key community engagement events to enhance visibility, foster connections, and gather valuable community feedback, in which we organize multiple agency volunteers (400+ in 2024) to participate.
- Maintain a programming calendar on Statewide Equity related events, from Pride to Dragonboat Festival, to streamlining and coordinate events and initiatives across State agencies.
- Foster partnerships with local organizations and other State agencies to enhance community engagement efforts, in compliance with Article 8 of the COWINS Partnership Agreement to solicit community feedback for State agencies on their mandated, strategic EDIA plans.

Accessibility

- Ensure that reasonable accommodation requests are met and that financial resources do not pose a barrier for State agencies complying with ADA requirements.
- Establish and promote the accessibility resource library (containing both digital and physical resources) for state agencies.
- Facility support visits, developing schedules for facility visits, and creating accessibility lists and inventory of transition plan elements.
- ADA Forums, improvingState agency comfort with implementing strategies utilizing skills gained through role-based training.

Internal Strategy

- Offering a premier annual event that brings together EDI practitioners for the exchange of best practices, actionable initiatives, and celebration of annual progress.
- Provide and maintain a comprehensive assessment tool for State agencies to continuously evaluate their workplace climate for a culture of inclusivity. (These types of assessments typically cost agencies around $50K to facilitate with an external facilitator).
- Provide State agencies with a comprehensive and customizable assessment tool to evaluate and enhance their HR practices with a focus on equity.
- Monthly Statewide Lunch and Learns in which we capture Statewide cultural humility scores and outcomes after each training.
- Tiered training curriculum development and facilitation, ensuring agencies meet the needs of Article 8 of the COWINS Partnership Agreement.
- Annual EDIA Strategic Plan collection and analysis, ensuring each agency

meets the needs of article 8 of the COWINS Partnership Agreement.
- Monthly Demographic reports to all agencies in compliance with article 8 of the COWINS Partnership Agreement.

Supplier Diversity
- Bond Assistance administration, increasing the number of businesses doing business with the State through the Bond Program and providing potential vendors with training to increase readiness to do business with the State.
- Increase procurement participation for historically underutilized small and diverse businesses.
- Supplier Diversity Directory, developing a list of small and underutilized businesses to help connect State agency buyers with local suppliers for discretionary and competitive solicitation opportunities.

b. What is the total number of equity officers or staff in each state department and agency?

Agency	Equity Officers	Equity Staff
Department of Personnel & Administration	1	10
Department of Agriculture	0	0
Department of Corrections	1	0
Department of Higher Education	1	0
Department of Health Care Policy & Financing	1	2
Department of Human Services	1	7
Department of Labor & Employment	1	0
Department of Natural Resources	0	0
Department of Public Health & Environment	0	2
Department of Public Safety	1	0
Department of Regulatory Agencies	0	0
Department of Revenue	0	0
Department of Transportation	1	2
Governor's Office of Information Technology	0	2

Office of Economic Development and International Trade	0	0
Department of Early Childhood	1	2
Department of Education	0	0
Department of Local Affairs	0	1
Total	**9**	**28**

c. Of the 10.0 FTE funded in the Department of Personnel for the Colorado Equity Office, how many FTE have been filled?

Response: The funding in the Colorado Equity Office bill was sufficient to hire 6.0 FTE due to minimum salary range funding.

19. *[Rep. Taggart]* On page 8 of JBC Staff's briefing document, there is a reference to changes in the judiciary that affect the Risk Management common policy. What were the changes in the judiciary that resulted in more liability claims payouts?

Response: Court decisions in prior years have impacted claims and lawsuits going forward. Settlements and awards have broadly been trending upward. The handling of claims against the State reflects those decisions. In 2023, The United States District Court, District of Colorado ("District") saw a small decrease in the number of trials and an increase in settlements, with mediations by the judges increasing as well. Across all trial types in the District in 2023, plaintiffs were successful in 60% of all cases with the highest payout being $39 million. Civil rights cases in particular saw the plaintiff succeeding in two-thirds of cases. These decisions impact how SORM, working with the Attorney General's Office, evaluates and resolves cases. Multiple factors impact how the State proceeds with defending suits, including prior awards, facts of the individual matter, reasonableness of success and potential overall costs. Fiscal Year 2023-24 saw the resolution of multiple large lawsuits impacting SORM, including a significant class action suit.

Budget Reduction Options

Supplemental State Contribution Program

20. *[Sen. Kirkmeyer]* Please provide a brief description of the Supplemental State Contribution Program, including any recent statutory or programmatic changes.

    a. What are the specific criteria a state employee must meet in order to be eligible for the Supplemental State Contribution Program?

Response: The State of Colorado's Medical Insurance Premium Supplement Program assists qualified state employees with the cost of their medical and dental premiums. 24-50-609.5, C.R.S. authorizing the program is designed to address the cost of medical insurance for low-income state employees with dependent children. The money for the program comes from the tobacco master settlement agreement. There have been no statutory changes since the program began to receive funds from the master settlement agreement and no recent programmatic changes.

To qualify, employees must meet the following criteria:

- Enrolled (or willing to enroll) in one of the State's medical insurance plans
- Have dependent children enrolled in a State medical plan
- Have at least one dependent child not covered by Child Health Plan Plus (CHP+)
- 2023 household income at or below 300% of the federal poverty level
    - Two household members = $59,160
    - Three household members = $74,580
    - Four household members = $90,000
    - Five household members = 105,420
    - Six household members = $120,840
    - Seven household members = $136,260

21. *[Rep. Amabile]* With regard to the Supplier Database Cash Fund, how does the 1.0 percent rebate on statewide price agreements function to provide revenue for the Fund?

    Response: The State Purchasing & Contracts Office (SPCO) negotiates, manages, and maintains all Price Agreements for commonly sourced items. Vendors self-report expenditures to the SPCO quarterly, and send checks for deposit into the Supplier Database cash fund for amounts up to 1% of expenditures, depending on the specific price agreement (administrative fees differ). The overall spend includes state agencies, IHEs, local government, school districts, and approved non-profits. Price agreements are competitively solicited and save the State money and time through volume-based buying power.

Office of Sustainability

22. *[Rep. Bird]* With regard to Office of Sustainability, please discuss the operational and cost differences between the prior year budget requests (FY 2023-24 R4 and FY 2024-25 R4) seeking the creation of this office and S.B. 24-214 (Implement State Climate Goals) that created the Office.
    a. In the FY 2024-25 budget request (R4 *Centralized sustainability office*) related to this Office, the Department noted the receipt of $200,000 in federal grants from

the U.S. Environmental Protection Agency. Were these federal grant dollars one-time or ongoing?

Operational and Cost Differences Between FY 2023-24, FY 2024-25 Decision Items and SB 24-214

		Year 1		Year 2	
FY 2023-24	**R-04 - Centralized Sustainability Office**	**$478,234**	FTE	**$489,369**	FTE
	Personal Services (Salary + POTS)	$447,514	3.2	$486,429	3.5
	Standard Operating (One-time and Ongoing)	$30,720		$2,940	
FY 2024-25	**R-04 - Greening Colorado State Government**	**$1,572,239**		**$156,155**	
	Personal Services (Salary + POTS)	$37,605	0.25	$150,420	1.0
	Standard Operating (One-time and Ongoing)	$1,434		$5,735	
	Consulting Services	$90,000		$0	
	Gas and Diesel-Powered Equipment Replacement	$1,443,200		$0	
FY 2024-25	**SB 24-214**	**$400,000**		**$400,000**	
	Operation of the Office of Sustainability				
	Gas and Diesel-Powered Equipment Replacement				

Response: The Department requested $478,234 General Fund and 3.2 FTE in FY 2023-24, annualizing to $489,369 and 3.5 FTE in FY 2024-25 and ongoing, to continue progress toward critical environmental and sustainability goals. The State increased focus on greening government efforts and new goals emerged. Specific greening government initiatives included greenhouse gas reduction, energy conservation and management, renewable energy sources and use, state fleet fuel efficiency and management, but state agency efforts had often been inconsistent and poorly coordinated.

The purpose of these requests was to establish a central authority to oversee efforts across all state agencies, set specific and measurable goals, and provide oversight and leadership in a focused and consolidated manner. The establishment of a central Sustainability Office within DPA would solidify the State's commitment to green government and environmentally responsible operations. The sustainability office would draw upon the expertise and authority within the Office of the State Architect, the Office of the State Controller, and the Division of Capital Assets to collaborate with all state agencies. This was modeled after similar models in other states.

For FY 2024-25, the Department of Personnel & Administration requested $1,572,239 in General Fund and 0.25 FTE, annualizing to $156,155 and 1.0 FTE in FY 2024-25 through FY 2027-28, to institutionalize sustainability practices within state agency operations and facilities. The request aimed to ensure the State of Colorado continued its progress toward critical environmental and financial goals by reducing energy and other costs of state operations and drawing down significant federal resources to invest in state operations, such as clean vehicles, electric lawn and garden equipment, and energy efficient heating and cooling. This request came as a result of state agency efforts including procurement to meet these goals being inconsistent and poorly coordinated. This request provided ongoing funding for the Office of Sustainability to include staffing, operating, and third party strategic planning consulting services to improve sustainability and further reduce pollution to meet and exceed Colorado's greening government goals. The Department was looking to further progress made by the following statutes: C.R.S. 25-7-140 -Greenhouse Gas Emissions, C.R.S. 24-38.5-111 - Social Cost of Greenhouse Gas Pollution, C.R.S. 24-38.5-103 - Electric Vehicle Grant Fund, and C.R.S. 24-38.5-402 - Model Green Energy Code. This request was withdrawn in lieu of Senate Bill 24-214.

Senate Bill 24-214 transfers $400,000 General Fund annually to the State Agency Sustainability Revolving Fund beginning in FY 2024-25 to continue the funding of 1.0 FTE, support electrification of state owned lawn equipment, and to operate the Office of Sustainability.

The $200,000 federal grant from the U.S. Environmental Protection Agency was one-time with the intention of hiring 1.0 FTE to execute the implementation of statewide environmentally sustainable practices outlined in SB 24-214 and prior Greening Government Executive Orders. The federal grant dollars are awarded for FY 2023-24 and FY 2024-25, expiring on June 30, 2025.

General Questions

23. *[Sen. Kirkmeyer]* Of the $239.0 million in reappropriated funds requested for FY 2025-26, how much originates as General Fund?

    Response: The Department of Personnel & Administration (DPA) is a provider of multiple services to state agencies. Common policy appropriations for these services originate with allocations to State Agency customers. The Department is only able to estimate total General Fund support based on fund source projections made in the Department's common policy allocation calculations. Actual fund sources are determined by each state agency. Portions of common policy allocations determined by each agency to be reappropriated funds in their long bills may also have a General Fund component but the Department has no optics in potential upstream General Fund support. Estimates of the General Fund component of the November 1 Annual Fleet Vehicle are also included. Fee-for-service programs housed at DPA do not provide allocations to support spending authority but rather set rates which other agencies pay for services from line items such as Operating Expenses. It is not possible for DPA to estimate the portion of other agency General Fund to be spent on DPA services from such line items. The Department's General Fund estimates from the November 1 common policy request documents are below:

- Administrative Law Judge common policy $1,885,272
- Capitol Complex Leased Space common policy $9,484,484
- CORE common policy $3,172,360
- DSG common policy $11,808,828
- Risk common policy $22,239,219
- Workers' Compensation common policy $14,533,376
- Annual Fleet Vehicle request $10,558,267
- ESTIMATED common policy and fleet vehicles General Fund support $73,681,806

For the common policies and fleet request identified above, the estimated General Fund support represents approximately 42% of the total. The Department is unable to project General Fund support for the Department's variable Fleet costs for fuel, motorpool, repair, and maintenance. Nor is the Department able to project General Fund support for IDS services since payments are not made from line items dedicated singularly to these programs.

Monday, December 2, 2024

1:30 pm – 3:30 pm

VACANCY SAVINGS

24. [*Rep. Taggart]* Assuming that not all positions are filled on July 1 of every year, is there a way to plan funding for a staggered hiring process? E.g. fund 25% of new FTE at 12 months, fund 25% of new FTE at 9 months, fund 25% of new FTE at 6 months, and fund 25% of new FTE at 3 months.

    Response: The current practice is to request new FTE assuming a one month payroll lag (e.g., filling the position(s) in August). It is often the case when a new position is approved in the Long Bill for the upcoming fiscal year that the receiving Department will initiate the hiring process before the end of the prior fiscal year in an effort to fill the new position by August. Agencies certainly request funding in the initial year to postpone hiring. In some cases this practice may be practical and in others it may just delay the intended use of the position.

25. [*Sen. Amabile]* What are the different ways that departments use vacancy savings? How much does it vary by agency?

    Response: DPA does not have specific insight on the utilization of vacancy savings at other agencies; however, DPA (and likely other agencies) typically uses vacancy savings in the following ways:

    - Temporary pay differentials to employees covering additional, critical workload of a vacant position. (usually as a result of a vacancy)
    - Temporary Employees
    - Temporary Staffing/Vendors
    - Leave payout
    - Overtime pay to cover for work otherwise left unaddressed by vacancies
    - Personal Services Contracts

    Unutilized vacancy savings are reverted to the State.

26. [*Sen. Bridges]* In an effort to start a conversation about vacancy savings, can DPA and/or OSPB provide an estimate for the last 2 years on how much vacancy savings has been spent for purposes other than to pay for the specific FTE that the funding was appropriated for?

    Response: DPA does not have the ability to track this information within other departments. However, personal services funds are required to be spent according to their appropriation in the long bill. DPA is unaware of instances in which personal services funds were spent for purposes other than what is allowed in the Long Bill.

COWINS

27. [*Sen. Kirkmeyer]* What is the budgetary impact of absorbing 100% of all health insurance increases over the next three fiscal years?

    Response: Based on data assumptions utilized at the time of submission of the HLD FY26 statewide total compensation common policy request, the incremental increase was $49,957,645. Assuming a 7.5% rate of increase in out-years the incremental increase would be $53.7M in FY27 and $57.7M in FY28 as seen in this table. The Department is currently working with its actuary to develop its annual budget amendment for HLD cost adjustments and will submit in January.

Estimated Incremental HLD Costs in Out Years Under Current PA - State Absorbs 100% of HLD Increase

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2025-26 Incremental	$49,957,645	$25,301,724	$13,277,757	$6,176,461	$5,201,702
FY 2026-27 Incremental	$53,704,468	$27,199,353	$14,273,589	$6,639,696	$5,591,830
FY 2027-28 Incremental	$57,732,303	$29,239,305	$15,344,108	$7,137,673	$6,011,217

The previous COWINS Partnership Agreement language required the State to absorb the first $20M of the annual HLD cost increase. By comparison, the following tables demonstrate the estimated incremental cost splits if the new Partnership Agreement had the same requirement and FY 2024-25 splits (88.2% State and 11.8% Employee).

Estimated Incremental Employee Cost Share

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2025-26 Incremental	$3,535,002	$1,790,350	$939,534	$437,046	$368,072
FY 2026-27 Incremental	$3,977,127	$2,014,270	$1,057,042	$491,708	$414,107
FY 2027-28 Incremental	$4,452,412	$2,254,985	$1,183,363	$550,469	$463,595

Estimated Incremental State Cost Share Under Previous PA first $20M of Increase & (88.2% State and 11.8% Employee Split).

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2025-26 Incremental	$46,422,643	$23,511,375	$12,338,223	$5,739,415	$4,833,630
FY 2026-27 Incremental	$49,727,341	$25,185,084	$13,216,547	$6,147,988	$5,177,722
FY 2027-28 Incremental	$53,279,891	$26,984,321	$14,160,745	$6,587,203	$5,547,622

28. [*Rep. Sirota]* Please describe what the Steps 2.0 working group is and what the plan is for the third year of the current Partnership Agreement.

    Response: The requirements of the Steps 2.0 Workgroup are outlined in Article 31.2 of the 2024 Partnership Agreement. The Steps 2.0 Workgroup was agreed to during the COWINS Partnership Agreement negotiations in response to concerns that the current step pay system does not pay sufficiently to recognize employee's total years in service. Since available funds did not support the costs likely associated with a new step-pay calculation/ system, the state and COWINS agreed to establish a working group which will bring together four representatives appointed by the Governor, and four representatives appointed by COWINS to:

    1. Prioritize the goals of the step pay plan (November 2024 - March 2025)
    2. Identify potential designs of a step pay plan to achieve mutual goals (April 2025 - January 2026)
    3. Complete full implementation planning and costing (January 2026 - March 2026) The cost cannot exceed $61 million General Fund, fully loaded. Any remaining funds will be requested for cost of living increases for State employees.

    The step pay plan developed and agreed upon by the workgroup will be memorialized in a Memorandum of Understanding, which will form the basis for a budget request for implementation in FY 2027-2028.

    Additional details can be found in the Partnership Agreement.

29. [*Rep. Bird]* Concerning the critical staffing incentives, would this amount fund bonuses for vacant positions?

    Response: This calculation does not include vacant positions with the exception of those in the Department of Corrections (DOC). The calculations for distribution of these funds for DHS, DOC, and CDPS included a limited number of vacant positions, accounting for 0.018% of all identified critical staff positions, all in DOC. The intended methodology to calculate the incentive pay was to exclude vacant positions; however, DOC is highly likely to fill these positions and it is therefore imperative to include funding for them. As a result, 107 vacant DOC positions are included in the incentive pay request. The FY 2025-26 budget request for critical staffing incentives was for a flat $12.0 million based on the Partnership Agreement, and was continued from the earlier partnership wage reopener negotiation in 2022.

General Questions

30. [*Sen. Amabile]* What are the different ways that salary costs for contracted employees are represented in the Long Bill? How many actual employees and how many contracted employees are there in the State?

    Response: DPA does not have dedicated contractor line items within the Long iIll. If contractors are utilized, they are either paid from personal services lines, or program lines (in programs that don't have operating and personal service line items). DPA does not have data on contracted employees in other departments' Long Bills. The State does not track contracted employee usage.

    The state spends personal services funds on FTE. 1 FTE represents 2080 hours of work needed per fiscal year. When appropriating funding for FTE agencies have the discretion to use these funds on permanent, temporary or contract staff. Determination on the type of staff is based on a variety of factors including the nature of the work done, available funds, time limited nature of the work to be done, and availability of potential new-hires.

31. *[Sen. Amabile]* How would cutting General Fund from total compensation potentially impact federal matching funds? What would be the impact on drawn-down federal funds if General Fund were cut at 1-5% of total compensation?

    Response: DPA does not have any programs with federal match components. DPA does not have data on which programs in other departments have match components, so this would need to be an agency specific question. However, in general, many federal funds are provided based on a matching basis. The percentage of match varies by federal program, so in the event General Fund dollars were cut to personal services lines, matching federal funding for FTE and overhead related to their work should be expected to be made unavailable to those programs as well.

STATEWIDE COMPENSATION

FY 2025-26 JOINT BUDGET COMMITTEE HEARING

WRITTEN RESPONSES ONLY

VACANCY SAVINGS

[Rep. Taggart] Considering that vacancies are included in the total compensation request, can we see a department-by-department breakdown of how many vacancies are in each department?

Vacant positions are not included in the statewide total compensation common policy budget request unless the vacant position is considered critical and approved by OSPB. Justifications include mission critical vacancies that an agency feels confident they will hire expeditiously, and vacancies related to programs that received FTE in the previous fiscal year but are still ramping up hiring. The following table shows the count of vacant positions that were added to each department's budget request for FY 2025-26. This is not indicative of the total number of vacancies in each department, just those added to the total compensation calculations. Vacancies outside of these specifically approved ones are not included in the total compensation calculations.

Department	Number of Vacant Positions Included in Total Compensation Calculations
Agriculture	0
Corrections	130
Early Childhood	1
Education	0
General Assembly	0
Governor's Office	1
Health Care Policy & Financing	0
Higher Education	9
Human Services	0
Judicial Branch	73*
Labor & Employment	0
Law	0

Local Affairs	0
Military & Veterans Affairs	0
Natural Resources	0
Personnel & Administration	13
Public Health & Environment	30
Public Safety	31
Regulatory Agencies	0
Revenue	45
State	0
Transportation	0
Treasury	8
Statewide Grand Total	**341**

**Of the 73 total vacancies reported for the Judicial Branch, 17 positions at the Statewide Behavioral Health Court Liaison were newly appropriated in FY 2023-24 and remained unfilled at the start of FY 2024-25.*

[Rep. Bird] Of the existing vacancies, how many are persistently vacant? Please provide precise numbers and as a percent of total "approved" FTE for each department. Include all approved FTE that have been vacant for more than 2 fiscal years.

DPA does not have information on persistently vacant positions at other agencies; agencies would have to respond individually. In addition, DPA does not often have persistently vacant positions with the exception of positions intentionally held open to allow for fair pay to other positions, but this is an uncommon practice.

DEPARTMENT OF PERSONNEL & ADMINISTRATION WRITTEN ONLY QUESTIONS

Common Questions:

1 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Please specifically describe the implementation of ongoing funding established through legislation in the last two legislative sessions. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

The Office of State Archives has been unable to fully implement HB 21-1110 and SB 23-244.

- House Bill 21-1110 (partially implemented) requires all digital content to be made accessible to persons with disabilities. Given the immense scope of digital content generated and preserved at the State Archives, including scans of handwritten records and legislative audio recordings, this is not possible without additional resources for staffing, software, and/or funding for outsourcing. Estimated cost to successfully make all digital content at the State Archives accessible ranges between $9.3 million to $41.7 million. The significant range is a result of the uncertainty with the dependent variables being the vendor and type and quantity of content that requires digitization. There is a significant difference in price per page of remediation based on content, for example, charts, tables, and images are more expensive than simple text. Additionally, the audio and video recordings from the legislature would need to be transcribed in order to be in compliance, which is an immense cost given the size of the collection. Currently accessibility is provided only if requested by researchers for a particular record.

- Senate Bill 23-244 (partially implemented) requires the Office of Information Technology to adopt rules regarding accessibility standards for IT systems employed by state agencies. Progress towards SB 23-244 is underway, however, the Division State Archives is still in the process of remediating numerous PDF files. The Division has obtained three CommonLook licenses to remediate PDFs, but without additional staffing, current employees must fit remediation in around other job duties. Remediation can take between one and three hours per PDF depending on size and complexity. With current staffing levels, the Department will not likely be able to comply with all aspects of the legislation by June 30, 2025. The Department has proposed, through its R-05 Decision Item request, to hire 1.0 FTE to address the workload associated with increases in research requests and digital holdings requiring accessibility remediation.

2 Describe General Fund appropriation reductions made in the Department for budget balancing purposes in 2020, and whether the appropriation has been restored with General Fund or another fund source through budget actions or legislation.

The following General Fund appropriation reductions and restorations were made in the Department.

2020 Budget Balancing General Fund Reductions	FY 2020-21	Restored?
(1) Executive Director's Office		
(A) Department Administration		
Health, Life, and Dental HB 20-1360 - FY 2020-21 Long Bill JBC Staff Initiated 5% PS Reduction for GF programs only	($587,349)	Restored FY 2021-22 Long Bill (SB 21-205) GF
PERA Direct Distribution HB 20-1379 - Suspend PERA Direct	($260,140)	Restored FY 2021-22 Long Bill (SB 21-205) GF
Annual Depreciation - Lease Equivalents HB 20-1398 - Modify Automatic Funding Mechanism for Capital Construction Suspended annual depreciation-lease equivalent payments	($566,806)	Restored FY 2021-22 Long Bill (SB 21-205) GF
(B) Statewide Special Purpose		
(2) Office of the State Architect, Statewide Planning Services HB 20-1360 - FY 2020-21 Long Bill R-10 Statewide Planning Services Spending Authority Reduction	($980,000)	Restored FY 2022-23 Long Bill (HB 22-1329) GF

3 Please provide the most current information possible. For all line items with FTE, please show:

a the number of allocated FTE each job classification in that line item

b the number of active FTE for each of those job classifications

c the number of vacant FTE for each of those job classifications

d the vacancy rate for each of those job classifications

Use the attached Template C to populate these data. Please return the data in editable Excel format.

Please see the linked Excel file, November 2024 tab. Note that because a significant number of the Department's positions are split funded across programs, the most useful way to display the data was at the Department level by job classification. Due to the Department's personnel structure and the associated complexity of its payroll projections system, data is shown by number of positions rather than FTE. Overall, the Department's vacancy rate was 5.7% in November 2024.

4 Please provide the same information as Question #5 for FYs 2022-23 and FY 2023-24. Use the attached Template C to populate these data. Please return the data in editable Excel.

Please see the linked Excel file, June 2023 and June 2024 tabs. Note that because a significant number of the Department's positions are split funded across programs, the most useful way to display the data was at the Department level by job classification. Due to the Department's personnel structure and the associated complexity of its payroll projections system, data is shown by number of positions rather than FTE. Overall, the Department's vacancy rate 7.0% at the end of FY23, and 6.1% at the end of FY24.

5 For FYs 2022-23 and 2023-24, please provide, in editable Excel format, department-wide spending totals for each of the following object codes, by fund source.

a Object Code 1130: Statutory Personnel & Payroll System Overtime Wages

b Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages

c Object Code 1140: Statutory Personnel & Payroll System Annual Leave Payments

d Object Code 1141: Statutory Personnel & Payroll System Sick Leave Payments

e Object Code 1340: Employee Cash Incentive Awards

f Object Code 1350: Employee Non-Cash Incentive Award

g Object Code 1370: Employee Commission Incentive Pay

h Object Codes 1510, 1511, 1512: Health, Life, and Dental Insurance

i Object Code 1524: PERA – AED

j Object Code 1525: PERA - SAED

k Object Code 1531: Higher Education Tuition reimbursement

Please see the linked Excel file

6 For the latest month for which the data are available, please provide, in editable Excel format, department-wide FY 2024-25 year-to-date spending totals for each of the following object codes, by fund source.

a Object Code 1130: Statutory Personnel & Payroll System Overtime Wages b Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages

c Object Code 1140: Statutory Personnel & Payroll System Annual Leave Payments

d Object Code 1141: Statutory Personnel & Payroll System Sick Leave Payments

e Object Code 1340: Employee Cash Incentive Awards

f Object Code 1350: Employee Non-Cash Incentive Award

g Object Code 1370: Employee Commission Incentive Pay

h Object Codes 1510, 1511, 1512: Health, Life, and Dental Insurance

i Object Code 1524: PERA – AED

j Object Code 1525: PERA-SAED

k Object Code 1531: Higher Education Tuition reimbursement

The most recent month's expense by object code is not useful at this time, as adjustments are made to the information through the end of the fiscal year via no accounting adjustments.

7 For FYs 2022-23 and 2023-24, please provide department-wide spending totals for each of the following object codes, by fund source.

a Object Code 1100: Total Contract Services (Purchased Personal Services)

b Object Code 1210: Contractual Employee Regular Part-Time Wages

c Object Code 1211: Contractual Employee Regular Full-Time Wages

d Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages

e Object Code 1240: Contractual Employee Annual Leave Payments

f Object Code 1622: Contractual Employee PERA

g Object Code 1624: Contractual Employee Pera AED

h Object Code 1625: Contractual Employee Pera - Supplemental AED

i Object Code 1910: Personal Services – Temporary

j Object Code 1920: Personal Services – Professional

k Object Code 1940: Personal Services – Medical Services

l Object Code 1950: Personal Services - Other State Departments

m Object Code 1960: Personal Services – Information Technology

This information is included in the Schedule 14B, by line item. Please see the summary table below.

	FY 2022-23 Expenditures				FY 2023-24 Expenditures			
	GF	CF	RF	FF	GF	CF	RF	FF
1110	6,739,241	2,414,047	16,256,793	121,227	9,507,133	2,304,511	17,627,077	156,929
1111	427,637	15,916	173,331		415,848	4,394	155,840	(594)
1131			6,438				312	
1210	580,521	236,169	1,273,955	2,610	844,604	136,347	1,289,073	
1211		3,811						
1240	17,158		3,712		30,683	3,482	21,679	
1622	95				96		888	
1624	41				41		383	
1625	41				41		383	
1910	13,100	12,234	615,457		294,222	10,274	1,014,875	
1920	610,685	81,306	1,781,014		752,869	81,488	5,525,723	
1940			310,754				792,411	
1960			297,073		461,575		252,565	

8 Please provide a table showing both allocated and actual FTE for each Division within the Department from FY 2018-19 through FY 2023-24.

Please see the linked Excel file.

9 Please discuss how the Department would absorb base personal services reductions of the following amounts: 1.0 percent, 3.0 percent, and 5.0 percent. How would those reductions impact the departments operations and core mission?

The Department of Personnel & Administration is the primary support agency to all branches of Colorado's government. As demonstrated in the FY25 budget request, Department funding has not kept pace with the long-term growth of the overall State budget. Significant cuts to personal services would further impede the ability of the Department to provide centralized services and support, which would have ripple effects throughout the State. The Department also ensures compliance with many statutory and other legal requirements, which would be put at risk if resources were to be reduced.

Staffing reductions/layoffs would be detrimental to departmental operations. Given relatively low vacancy rates at the Department, across the board reduction would not be readily absorbed and in some cases will result in layoffs. As stated in the response to question 10, below, the Department submitted General Fund reduction requests equaling $1.15 million in areas of its budget that will be far less impactful to operational requirements.

A Personal Services cut distributed evenly (rather than targeting specific programs) across the department would mean a reduction in existing FTE as illustrated in the table below. A 1% reduction would equate to approximately 4.8 FTE, a 3% reduction would equate to approximately 14.4 FTE, and a 5% reduction would equate to approximately 24.0 FTE. A reduction of positions will result in increased workload for remaining employees and have a negative impact on morale, retention, and the Department's ability to complete its mission.

Division/Program	**1% (Associated FTE Reductions)**	**3% (Associated FTE Reductions)**	**5% (Associated FTE Reductions)**
Executive Director's Office	0.3	1.0	1.6
Office of the State Architect	0.1	0.4	0.6
Division of Human Resources	0.8	2.3	3.9
Colorado State Employee Assistance Program	0.1	0.4	0.7
State Personnel Board	0.1	0.2	0.3
Division of Central Services	1.2	3.6	6.0
Office of the State Controller	0.8	2.5	4.2
Office of Administrative Courts	0.4	1.3	2.1
Capitol Complex Leased Space	0.6	1.9	3.1
State Fleet Management Program	0.2	0.6	0.9
Risk Management	0.1	0.3	0.5
Total*	**4.8**	**14.4**	**24.0**

*Note: Sustainability Office and Public Private Partnership (P3) Office are omitted from program detail given these divisions have fewer than 2.5 FTE. However, they are still included in the total.

Specific impacts to Department programs in the event of a proportional reduction of 1%, 3% and 5% include the following:

Executive Director's Office (EDO)
A loss of FTE could result in longer response times to agency needs, delays in issuing statutory reports and/or requests for information; reduced compliance with State statutes and federal requirements related to internal accounting, purchasing, contracts, and/or human resources and potential delays in accessibility compliance. It is also important to note that some positions are allocated to other internal programs, so reduction in those programs would also impact the Executive Directors' Office ability to meet its required functions. The reductions would lead to holding open a vacancy for up to 12 months or delaying hiring across multiple positions equal to 12 months which would lead to employee burnout and turnover. A 5% reduction could result in more than 12 months' worth of vacancies required to manage within the remaining budget. Layoffs could be required to stay within the budget.

Office of the State Architect (OSA)
A 1-5% reduction could be absorbable because OSA's budget exists in a single program line item. However, a reduction would constrict OSA's operating expenditures to the point it may not be able to replace computers or fund travel expenses that are critical to OSA's annual review of capital requests.

Division of Human Resources (DHR)
The Division of Human Resources is responsible for total rewards (benefits, leave, compensation), labor relations, workforce solutions (recruitment and selection, learning and development, operations), employee assistance (behavioral health, conflict resolution, crisis services), and creating rules, guidance, and universal policies for the State of Colorado. A loss of FTE would result in an a risk of failing to meet the the provisions laid out in the updated Partnership Agreement as required by the Partnerships for Jobs and Services Act HB20-1153 (specifically the additional requirements to the Equity Office in Article 8); the requirements for Skills Based Hiring and Work-Based Learning; the Reimagine 2.0 initiative; and an inability to execute on special statewide projects such as time-to-hire. In addition, a loss of FTE will put existing statutory requirements for this division at risk including the creation of the quadrennial annual total compensation report as required by CRS 24-50-104; conducting system maintenance studies; reviewing requests for senior executive service positions; processing benefits appeals; researching and responding to personnel appeals; updating personnel rules and technical guidance; providing statewide compliance training; providing behavioral health and conflict resolution services to employees (delays already exist); providing guidance to agencies; and executing on equity office initiatives such as supplier diversity and resource groups. A failure to meet our obligations in any one of these areas puts us at risk for violating statute, rule, and/or the Partnership Agreement.

Colorado State Employee Assistance Program (CSEAP)
A reduction would require eliminating FTE in addition to the reduction of contractor services which currently include 24/7 crisis coverage. Reductions include eliminating a recently vacant part-time position, laying-off a part-time employee, and interrupting 24/7 crisis coverage. These changes would reduce the Department's ability to provide mediation, facilitation, professional coaching which are all services listed as required by CSEAP in statute and rule. Alternatively,

CSEAP could retain these services and cut available counseling services. Wait times for counseling appointments and other services would increase. Reductions in services may result in re-opening PA negotiations with COWINS, as the FY26 budget request includes additional CSEAP resources to expand existing services.

State Personnel Board (SPB)

Any reduction to the State Personnel Board's skeletal staff will negatively impact its ability to fulfill its constitutional and statutory mandates. The Board staff consists of two full-time employees (the Director and the Senior Board Assistant) and three part-time employees (three part-time Administrative Law Judges and one part-time administrative assistant). This team is responsible for providing "fair and timely resolution of cases before it" (C.R.S. Sec. 24-50-101(3)(b)), conducting rulemaking to implement the State personnel system (Colo. Const. Art. XII, Sec. 14(3)), and other work as necessary for the Board to perform its constitutional and statutory duties (C.R.S. Sec. 24-50-103(7)). The SPB is currently seeking an increased budget to increase all three ALJ's to full time (1.0 FTE each) in order to meet the demand of higher caseload. Reducing the FTE would be detrimental to the SPBs ability to hear and resolve cases in a timely manner, as well as lower morale as judges already struggle to meet deadlines.

Division of Central Services (DCS)

The Division is comprised of the following units: Administration, Integrated Document Solutions (IDS), Address Confidentiality Program (ACP), and State Archives. A reduction would result in possible voluntary furloughs and hiring freezes, as well as the elimination of temporary positions that are required during peak production periods (tax season, etc.).

A reduction in IDS would result in significant delays of critical services such as County Benefits Management System (CBMS) benefits correspondence, Department of Motor Vehicles (DMV) mailings, petition processing and verification for the Secretary of State's office, and the processing of tax returns. Some impacted services, such as the mailing of CBMS correspondence, have federally mandated turnaround times that would not be met if staffing levels are reduced. State Archives has seen a 39% increase in the number of requests they received last year and are projecting this increase to continue. Having to reduce personnel would put further strain on the unit and increase the possibility for statutory violations due to their inability to respond to requests in a timely manner, which would affect the customers served in a negative way.

A reduction in the Address Confidentiality Program (ACP) could result in the potential need to scale back on the resources made available to victims of crime through their program, which would directly affect the safety of the program's participants.

Office of the State Controller (OSC)

OSC is responsible for overseeing accounting, payroll, and procurement for the State of Colorado. Each month OSC runs payroll for 37,687 state employees, approves hundreds of contracts, solicitations, and accounting transactions, and responses to thousands of inquiries from State agencies, elected officials, vendors and the public. A loss of FTE would result in longer time responding to agency questions, delays in processing requests to correct accounting records and updating vendor records potentially resulting in improper payments; delays in issuing statutory reports; reduced oversight of agencies' accounting operations and contracts; a delay in setting up appropriations in CORE; reduced compliance with State statutes and federal requirements. Contract reviews would be delayed; late payments to vendors; there would be a slower roll out of updating contract templates for accessibility; less timely development of statewide participating addendums; and reduced agency oversight of purchasing practices.

Office of Administrative Courts (OAC)

The OAC's core mission is to hear and resolve disputes in a quick and efficient manner without the need for expensive and time-consuming litigation in the district courts. In addition to negatively impacting remaining employees, a reduction would cause failure to meet statutory and regulatory deadlines for scheduling hearings and issuing decisions and thwart the mission of the OAC. Delays in case adjudication have a potential effect on a person's access to medical care or other public benefits, medical decision making, and ability to work. Further, the OAC operates in collaboration with other State agencies who rely on the OAC to issue timely decisions so that they can meet their state and federal statutory and regulatory deadlines. As such, the Department has submitted an FY 2025-26 decision item requesting additional FTE to address caseload growth due to compliance requirements issued by the Centers for Medicare and Medicaid (CMS) through the Department of Health Care Policy and Financing. The Office of Administrative Courts is required to increase its turnaround times for all Medicaid related cases. The Medicaid covered population in the State has nearly doubled in ten years without a corresponding increase of OAC staff to meet the demand. Without additional staffing, the State will be unable to comply with CMS requirements

Capitol Complex Lease Space (CCLS)

CCLS, using essential personnel, maintains 18 buildings, including the Capitol, Governor's residence, and the 690 Kipling Data Center; they provide service to executive and legislative staff, state agency staff, Public Safety, and external customers from the general public. This includes, but is not limited to, essential health and life safety responses such as fire alarms, elevator entrapments, and power outages/interruptions which requires immediate response and appropriate staffing levels. A decrease in response time resulting in the reduction of staff will contribute to various hazards and pose a liability to the State. The Capitol has approximately 200,000-300,000 visitors a year, including school age children, and a decrease in levels of daily maintenance/sanitation will cause safety concerns. The 690 Kipling Data Center is the hub that provides critical IT infrastructure and support for all Executive Branch agencies. Service interruptions at the Data Center due to building temperatures or electrical issues could affect Statewide business operations and continuity.

State Fleet Management Program (SFM)

All reduction to the personal services line beyond 1% will cause the State to not meet its statutory requirements. Tasks such as Federally mandated IRS reported requirements, DOT regulation and reporting, and existing grant funding/fulfillment reporting requirements would be jeopardized. Applications for new grants could be put on hold, but would result in receiving less outside funding.

The SFM is struggling to meet its workloads and does not possess the ability to shift duties for FTE. State Fleet Management maintains approximately 6,800 vehicles, providing service to state agency staff, covering a significant sector of Public Safety operations. Any reduction in the number of staff who provide maintenance, fueling, and infrastructure support to vehicles will delay response times and create a gap in service levels causing health and safety concerns. A decrease in SFM response time impacts emergent response (State Patrol, Fire Prevention, Corrections, Transportation), monitoring of criminal activity, and welfare checks. Routine and emergent maintenance of vehicles is necessary and mitigates increasing the Risk Management automobile liability expense.

Risk Management

Due to the high number of mission critical positions the Risk Management program will find it difficult to reduce the workload through furloughs. A reduction to FTE will have a negative impact on the processing of citizens' claims received by Risk Management from the tort unit within the Office of the Attorney General. It could also lead to difficulty in meeting legal deadlines.

10 Describe steps the Department is taking to reduce operating expenditures for FY 2025-26.

The Department's November 1, 2024 Budget submission included decision item request for the following operating expenditure reductions for a total of $1,144,763 GF:

- R-09 - Statewide Planning Services Reduction offers a one time General Fund reduction of $992,189 in FY 2025-26 and an ongoing General Fund reduction of $300,000.
- DPA's 1% General Fund reduction portion of the R-04 statewide request would provide more operational flexibility to the Department by combining personal services and operating line items. This requested reduction totals $137,290.
- DPA's GF reduction portion of the R-05 Round to the Nearest $1,000 request represents an ongoing General Fund reduction of $15,284.

The Department is also pursuing the following JBC initiated reductions:

- A limited transfer out of the Supplemental State Contribution Fund
- A reduction in the State Procurement Equity Program

11 For each operating expenses line item in FY 2023-24, provide a table showing the total appropriation for FY 2023-24 and the total actual expenditures at the end of the third quarter of FY 2023-24.

Appropriation Name	Fiscal Year	Appropriation	Expenditures through Q3
EDO Operating Expense	2022	103,192	56,636
	2023	103,192	67,082
	2024	103,192	86,367
Colorado Equity Office Operating Expense	2022	-	-

	2023	593,450	2,283
	2024	25,650	21,924
CSEAP Operating Expense	2022	70,643	37,660
	2023	93,293	40,703
	2024	93,293	28,872
SAS Operating	2022	125,827	40,628
	2023	123,407	69,477
	2024	127,112	44,783
LRS Operating	2022	12,150	9,571
	2023	257,480	7,730
	2024	436,205	118,170
DHR Employee Benefits Operating	2022	58,093	28,908
	2023	808,093	775,725
	2024	58,093	25,191
Risk Mgmt Operating	2022	69,868	28,044
	2023	63,668	30,417
	2024	70,018	27,064
State Personnel Board Operating	2022	22,969	13,859
	2023	22,969	16,252
	2024	24,774	14,761
DCS Admin Operating	2022	27,690	11,050
	2023	27,690	4,748
	2024	27,690	9,113
IDS Operating	2022	23,642,537	14,878,313
	2023	25,036,586	18,058,235
	2024	22,786,220	16,209,294
State Archives Operating	2022	290,938	215,041
	2023	334,056	279,041
	2024	391,890	302,782
Financial Operations and Reporting Operating	2022	138,303	86,775
	2023	138,303	85,785
	2024	138,303	104,636
Procurement and Contracts Operating	2022	36,969	28,261
	2023	36,969	14,241
	2024	36,969	11,727
CORE Operations Operating	2022	59,590	32,805
	2023	59,590	43,296
	2024	59,590	37,362
Administrative Courts Operating	2022	172,233	138,051
	2023	613,007	115,456
	2024	419,943	73,248
Capital Assets Administration Operating	2022	18,310	7,968
	2023	18,310	9,597
	2024	18,310	9,562
Capitol Complex Operating	2022	2,793,370	1,503,294
	2023	3,333,142	1,746,083
	2024	3,678,212	2,100,133

Fleet Management Operating	2022	1,160,675	303,615
	2023	1,505,819	556,908
	2024	1,736,128	795,317

12 Please provide an overview of the department's service efforts. In your response, describe the following:

a Populations served by the Department

b The target populations of the Department's services

c Number of people served by the Department

d Outcomes measured by the Department

e Present and future strategies for collecting customer experience data

The Department of Personnel & Administration is the primary support agency to all branches of Colorado's government. The Department provides centralized services needed for the State of Colorado to function efficiently and effectively. The Department houses Statewide Human Resources, Statewide Accounting, Payroll, and Procurement, seven total compensation common policies, and eight operating common policies. The Department provides central authority by creating rules, policies, and technical guidance to the State. Further, the Department offers central programs offered as valuable services to Colorado residents and State employees. The primary customers of the Department are the 20 Cabinets, Judicial, Legislative, and Executive offices, and 10 public governing boards of higher education. These agencies employ 37,687 employees, and the public institutions of higher education employ an additional 27,251 employees serving 170,704 students.

The Department generates an annual performance plan linked here that highlights progress on its Wildly Important Goals to (1) Increase skills-based hiring, (2) Reduce the State's physical footprint, and (3) Increase State Fleet electric vehicle adoption. The Department also develops and tracks metrics for individual programs. Some examples include (1) Percentage of employees Statewide participating in the health incentive program and stage of drop out where applicable; (2) Insurance plan loss ratios; (3) Fleet fuel versus electric miles traveled; (4) Accounting transaction monitoring outcomes; (5) Number of statewide post-closing accounting entries; (6) Response times across all applicable programs; and many other metrics. Data are being reviewed on a monthly basis and accompanied by root cause analyses. Customer satisfaction metrics are also tracked at the program level including questions, complaints and surveys. The Department of Human Resources also conducts a biennial employee engagement survey and provides analysis to each department, working towards its goal of making the State of Colorado an employer of choice.

Select programs also serve customers outside of the State government. They are outlined below:

- **Integrated Document Solutions**
  - Populations served: State agencies, Institutions of Higher Education, and municipalities statewide.
  - Number served: IDS prints and mails over 15 million pieces of correspondence and 100 million pages of information annually, and serves nearly every Colorado citizen through the services they provide to all state agencies and many local government agencies.
  - Outcome measured: IDS measures performance against service level agreements (SLAs) with the agencies that they serve, focusing on turnaround times for critical pieces of correspondence (legal notifications, medical and food benefits, etc.) and quality (internal and external defects/errors).

- **Address Confidentiality Program**
  - Populations served: Survivors of stalking, domestic violence, sexual assault, human trafficking, and protected healthcare workers, as well as direct victim service providers and State and local government agencies.
  - Number served: Currently 5,978 active participants. Served over 15,000 since program inception.
  - Outcome measured: Increased feeling of safety, effectiveness of customer service provided by phone and email, effectiveness of Application Assistants.
  - Present and future strategies for collecting customer experience data: Continue to survey new participants in the first quarter of enrollment, continue to survey all participants annually.

- **Office of State Archives**
  - Populations served: All State agencies, legislative and judicial branches, special districts, municipalities, counties, schools, and the general public.
  - Number served: Overall, approximately 7,121 people per year. Broken down: 4,471 people made online requests from 12/10/2023-12/10/2024. An additional 50 per year of people who come to the building without a prior request or appointment. Staff assists an additional 2,600 people via phone (approximately 10 calls per day).
  - Outcome measured: Record request turnaround time (comparing records already digitized to records that need to be digitized), number of requests, types of requests, demographic information of requestors (specific government office vs. general public).
  - Present and future strategies for collecting customer experience data: Currently the request management system collects information on the various data points mentioned above and we use that to track trends. It would be possible to use the system to collect customer satisfaction surveys if needed.

- **Office of Administrative Courts**
  - Populations served: Citizens, State agencies, boards, 64 county departments, school districts, and employers.

- Number served: The OAC receives approximately 10,000 requests for hearings on an annual basis. Accordingly, the OAC serves a minimum of 10,000 individuals plus the associated State agencies, county departments, school districts, and employers.
- Outcomes measured: The OAC measures the volume of incoming cases, scheduling timeliness, number of hearings held, and timeliness of written decisions.
- Present and future strategies for collecting experience data: Customer experience is presently collected through informal feedback or through formal complaints. Future strategies include implementation of a customer satisfaction survey available on the OAC's website.

- **Capitol Complex Lease Space**
  - Populations served: Executive/Legislative staff, state agency staff and customers, Public Safety, OIT Data Center, and external customers from the general public, this includes but is not limited freedom of speech activities, media, lobbyists, tourists, and school groups.
  - Number served: approximately 200,000-300,000 customers every year.
  - Outcomes Measured: Work order turnaround time, customer satisfaction. In addition, measures utilities for greening government efforts and improvements.
  - Present and future strategies for collecting customer experience data: Reporting and analysis with data from our Work Order system for turnaround times and a monthly customer satisfaction survey completed via email

13 For each TABOR non-exempt cash fund, provide the following information

a The amount in the cash fund

b Total amount of revenue in the fund that would not be transferred

c Detailed explanation of why the fund should not be sunset

d Statutory reference of the fund creation, specific uses, and legislative history of changes to the fund

e Every program funded by the fund

f Explanation of how fees to the fund are set and a history of fee changes

g The number of people provided service by the programs funded through the cash fund

Any additional information necessary to ensure the Joint Budget Committee can make an informed decision.

Unused State-Owned Real Property Cash Fund - P3 (Public Private Partnership)

a) The fund balance at the beginning of FY 2024-25 was $28,888,227.
b) Any unexpended and unencumbered money in the fund at the end of a fiscal year remains in the fund.

c) The Fund serves as the sole funding source for the Department's P3 Collaboration Unit. Currently, the P3 Unit has fully allocated the fund's balance to 16 active projects. Sunsetting this fund would jeopardize these ongoing initiatives and eliminate the opportunity for future projects that could be financed through revenue generated by the original 16. These projects are instrumental in the five-year goal of creating over 1,000 affordable/workforce housing units, providing 250 childcare seats, enhancing broadband access for state facilities and neighboring communities, and achieving other significant public-private partnership outcomes.

d) The Fund was created in section 24-82-102.5, C.R.S with the passage of HB 21-1274 - Unused State-owned Real Property Beneficial Use. The fund became the source of funding for the Public-Private Partnerships (P3) Office created by SB 22-130 - State Entity Authority For Public-Private Partnerships. Additional money was deposited into the fund with the passage of SB 23-001 - Authority Of Public-private Collaboration Unit For Housing. Specific uses of the fund are first outlined in HB 21-1274. In that legislation, "The department [was] authorized to enter into contracts with qualified developers for proposals to construct affordable housing, child care, public schools, residential mental and behavioral health care, or to place renewable energy facilities on unused state-owned real property that the department has deemed suitable, subject to available appropriations."

    i) Under SB 22-130, "money [was] appropriated from the general fund to the department for the standard operating expenses of the public-private collaboration unit, including personal services and related costs."

    ii) Finally, SB 23-001 authorized the P3 Office to:

        (1) Accept gifts, grants, and donations, which if monetary, [were] to be credited to the unused state-owned real property fund (fund);

        (2) Utilize proceeds from real estate transactions and revenue from public-private agreements;

        (3) Act as an agent on behalf of [a] department in real estate transactions using real property that upon approval by the governor has been deeded to the department by a state public entity, including for the purchase, transfer, exchange, sale and disposition, and lease of real property

        (4) Use money from the fund to facilitate these additional functions by the unit in connection with public projects that provide affordable housing and for the standard operating expenses of the unit. Since it is still a newer program, there have been no legislative changes to the fund since the program was created.

e) P3 (Public Private Partnership) unit which was recently established to transform unused and underutilized state real estate into valuable assets aimed at developing affordable housing, enhancing behavioral health capacity, improving access to childcare services, supporting broadband deployment, and exploring other public-private partnership opportunities. It is the only program funded by the fund.

f) The P3 program was started with General Fund, a grant for $2 million from the Denver Foundation, and a $8 million transfer from the Housing Development Grant Fund with the intent that more private revenue will be generated over time. This program doesn't have fees, it sells land and enters into ground leases.. Proceeds from the sale, rent, or lease, including any leases entered into under section 24-82-102 (2)(a), C.R.S. of unused state-owned real property and any revenue generated from public-private agreements pursuant to section 24-94-103, C.R.S. to the fund. The fund also consists of any other money that the general assembly may appropriate or transfer to the fund, as well as gifts, grants, and donations.

g) The Fund directly benefits individuals, such as residents in affordable housing, construction workers, and children who gain access to childcare. Additionally, there are indirect beneficiaries, including local businesses that thrive as a result of increased community support from these individuals.
h) The P3 Unit's goals of creating 1,000 affordable housing units, providing 250 childcare seats, and enhancing broadband access for state facilities and surrounding communities, all within a $27 million budget, requires innovative financing and creative strategies. If these projects were to be pursued through traditional procurement and construction methods, the total budget needed to achieve these objectives would exceed $150 million.

Employee Benefits Administration Cash Fund - Employee Benefits Services

a) The fund balance at the beginning of FY 2024-25 was $823,683.
b) All funds shall not be included in the general revenues of the State of Colorado and shall not be general assets of the state. At the end of the fiscal year, any unexpended funds shall not revert to the General Fund but shall be held by the state treasurer in custodial capacity, to be used subject to direction from the director.
c) If the Fund is sunset, the program will have to become funded by General Fund or will not be able to continue.
d) Under C.R.S 24-50-613, the Employee Benefits Administration Cash Fund was established for the state’s cost of administering group benefit plans, and is subject to annual appropriation by the general assembly based on the submission by the director of a budget request containing detailed information on current and projected administrative costs, which include, but are not limited to, personal services, operating expenses, travel expenses, utilization review, and implementation of a flexible benefits plan. The Employee Benefits Unit is responsible for: maintenance of all benefits contracts; periodic solicitation of competitive proposals; compliance with all federal, state and local regulations; maintenance of the state's benefit administration system; premium administration; vendor audits; employee reviews/appeals; HIPAA compliance and training; employee benefits training and communication; and design and operation of the State's wellness program.
e) The Employee Benefits Administration Fund supports the Employee Benefits Unit within the Department of Human Services.
f) Agency fees are built into the medical rates. The amount changes annually and is dependent on the projected costs for the Department.
g) The Employee Benefits Unit directly supports approximately 120 Agency Benefit Administrators, 80 Agency HR Directors, and 39,000 benefits eligible employees.

Supplemental State Contribution Cash Fund - Employee Benefits Services

a) The fund balance at the beginning of FY 2024-25 was $6,830,429.
b) All principal and interest earned shall not be transferred to the General Fund or to any other fund, and shall be used by the department, subject to annual appropriation, solely to pay the costs of the department associated with the supplementation of the state contribution for each eligible state employee.
c) If the Fund is sunset, the premium reduction program will have to become General Funded or will not be able to continue.
d) Section 24-50-609, C.R.S created the Supplemental State Contribution Fund to pay for the costs of increased non-supplemental state benefits contributions and to supplement the state benefits contribution for eligible state employees enrolled in a qualifying group benefit plan. The principal of the fund consists of tobacco litigation settlement monies transferred by the state treasurer to the fund, and is continuously appropriated to the Department of Personnel. The fund pays for the employee premium contributions for employees covering children whose household income is under 300% of the federal poverty level.
e) The Supplemental State Contribution Fund supports a premium reduction program aimed at lower-income state employees and their dependents. Eligible employees with dependent children may apply for and receive a supplement which goes toward health insurance plan premiums.
f) The fund consists of tobacco litigation settlement monies transferred by the state treasurer to the fund. The Supplemental State Contribution Fund receives two and three-tenths percent of the settlement monies collected.
g) The program currently has 582 applicants with 421 being approved for the premium reduction. Total family members in the households benefitting from this program were 1,567.

Supplier Database Cash Fund - State Purchasing and Contracts Office and CORE Operations

a) The fund balance at the beginning of FY 2024-25 was $9,526,943.
b) All moneys not expended or encumbered and all interest earned on the investment or deposit of the moneys in the fund shall remain in the fund and shall not revert to the General Fund or any other fund at the end of any fiscal year. Prior to FY 2013-14, interest income was credited to the General Fund.
c) If the Fund is sunset, the Department will have to request General Fund or spending authority for a corresponding increase of cash funds from the Statewide Financial Information Systems Cash Fund which would dramatically increase rates for user agencies. Without a backfill of revenue for this cash fund, the State Purchasing and Contracts Office and CORE Operations will lose the majority of their funding, reaching an ineffective level.
d) Section 24-102-202.5, C.R.S. - Supplier database - fees - cash fund - program account. The Department may set and collect fees from vendors with cooperative purchasing agreements and from local public procurement units that are participating in the electronic procurement system, as necessary to cover the direct and indirect costs of implementing and maintaining the electronic procurement system. In addition, the

executive director may collect moneys from cooperative purchasing organizations for procurement support.

e) The Supplier Database Cash Fund funds the State Purchasing and Contracts Office and CORE Operations.

f) The Department sets and collects fees from vendors with cooperative purchasing agreements and from local public procurement units that are participating in the electronic procurement system, as necessary to cover the direct and indirect costs of implementing and maintaining the electronic procurement system. In addition, the Department may collect monies from cooperative purchasing organizations for procurement support. The annual BIDS fee of $40 was eliminated in FY 2013-14 with the introduction of CORE and is no longer a revenue source.

g) The State Purchasing and Contracts Office serves state agencies, institutes of higher education, political subdivisions, certified nonprofits, and the supplier community. CORE Operations supports state agencies and institutes of higher education.

Statewide Financial Information Technology Systems Cash Fund - CORE Operations

a) The fund balance at the beginning of FY 2024-25 was $7,172,152.

b) Any unexpended and unencumbered monies in the fund at the end of any fiscal year remain in the fund and do not revert to the general fund or any other fund.

c) If the Fund is sunset, the Department will have to request spending authority for a corresponding increase of General Fund or discontinue a majority of operations.

d) Section 24-30-209, C.R.S. Statewide financial and human resources information technology systems--billing process--statewide financial information technology systems cash fund. The Department shall develop a method for billing users of the department's statewide financial and human resources information technology systems services for the full cost of the service, including materials; depreciation related to capital costs; labor; and administrative overhead. Any moneys generated from the billing required pursuant to this subsection (1) shall be deposited in the statewide financial information technology systems cash fund created in subsection (2) of this section.

e) The Statewide Financial Information Technology Systems Cash Fund funds CORE Operations (in conjunction with the Supplier Database Fund).

f) Non-Fee revenue is collected based on an annual cost allocation methodology and the resulting Common Policy. Total estimated costs are recovered based on state agency utilization of CORE documents processed in the prior closed fiscal year. No fee revenue accrues to the fund.

g) CORE Operations supports state agencies and institutes of higher education.

Administrative Hearings Cash Fund - Office of Administrative Courts

a) The fund balance at the beginning of FY 2024-25 was $2,279,857.

b) Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund.

c) The vast majority of the Office of Administrative Courts (OAC) is funded through statewide common policy collections (RF). A very small portion of the non-interest revenue (0.16% in FY 2023-24) comes from cash funds from non-state entities such as school districts. Without cash funding, the Office of Administrative Courts will have to request GF or will not be able to continue operations.

d) Section 24-30-1001, C.R.S. Office of administrative courts - administrative courts cash fund creation. Revenues to the fund are used for direct and indirect costs of the office of administrative courts. All interest derived from the deposit and investment of money in the fund shall be credited to the fund.
e) The Administrative Hearings Fund supports the entire Office of Administrative Courts.
f) Non-Fee revenue is collected based on an annual cost allocation methodology and the resulting Common Policy. Total estimated costs are recovered based on state agency utilization of Administrative Law Judge hours. Fees, however, are based on annual rate setting which determines the total allocable base for the OAC in the current year divided by the total hours rates from two fiscal years prior (the most recent fiscal year with complete data.) The fee-based customers are school districts.

Administrative Law Judge (ALJ) Hourly Rate

Year	Rate
FY 2024-25	$ 274.82
FY 2023-24	$ 233.33
FY 2022-23	$ 255.39
FY 2021-22	$ 207.64
FY 2020-21	$ 206.68
FY 2019-20	$ 213.94
FY 2018-19	$ 173.89
FY 2017-18	$ 187.04

g) The OAC provides services to citizens, state agencies, boards, 64 county departments, and school districts.

Address Confidentiality Surcharge Cash Fund - Address Confidentiality Program

a) The fund balance at the beginning of FY 2024-25 was $163,871.
b) Any monies not appropriated by the general assembly shall remain in the fund and shall not be transferred or revert to the general fund at the end of any fiscal year.
c) If the Fund is sunset, the cash fund portion of the Address Confidentiality Program's budget will have to become General Funded or the program will not be able to continue addressing its statutory requirements.
d) Section 24-30-2114, C.R.S - The Address Confidentiality Surcharge (ACS) Fund is a repository for revenue collected from a specific group of the criminal offender population (one-time fee) to support a program that provides ongoing anonymous address protection to the victims of those crimes. The ACP fund is derived of 95% of a one time $28 fee assessed to offenders convicted of the following crimes: Stalking; Human trafficking for involuntary servitude or human trafficking of a minor for involuntary

servitude in violation of section 18-3-503 of the Colorado Revised Statute (C.R.S); Human trafficking for sexual servitude or human trafficking of a minor for sexual servitude in violation of section 18-3-504, C.R.S; A crime, the underlying factual basis of which has been found by the court on the record to include an act of domestic violence; or Criminal attempt, conspiracy, or solicitation to commit the crimes set forth in subsections (2)(a), (2)(a.5), (2)(a.6), and (2)(b) of this section. The court may waive all or any portion of the surcharge required by this section if the court finds that a person subject to the surcharge is indigent or financially unable to pay all or any portion of the surcharge. The court may waive only that portion of the surcharge that the court finds that the person is financially unable to pay.

e) The Address Confidentiality Surcharge Fund goes to fund the Address Confidentiality Program within the Division of Central Services within the Department of Personnel & Administration.
f) The ACS fund is derived from 95% of a one time $28 fee assessed by the judge to criminals convicted of specific crimes. The court may waive all or some of the fee if the court deems the person subject to the surcharge is indigent or financially unable to pay all or any portion of the charge. The revenue earned from this cash fund is not sufficient to fund the entire ACP program, and therefore the program is supplemented with general funds and federal VOCA grant funds.
g) ACP currently has 5,986 active program participants.

State Archives & Public Records Cash Fund - State Archives

a) The fund balance at the beginning of FY 2024-25 was $46,699.
b) Any unexpended and unencumbered money remaining in the fund at the end of a fiscal year remains in the fund and shall not be credited or transferred to the general fund or any other fund.
c) If the Fund is sunset, the cash fund portion of the State Archive Program's budget will have to become General Funded or the program will not be able to continue addressing its statutory requirements.
d) Section 24-80-102, C.R.S - The State Archives and Public Records Fund was created in order for the Department of Personnel to meet the statutory requirement that they shall be the official custodian and trustee for the state of all records of whatever kind that are transferred to it from any governmental agency, including any state agency and any office, department, division, board, bureau, commission, institution, or agency of any county, city, city and county, special district or other district in the state, or any legal subdivision. The state archives, created in the department of personnel, consists of a permanent records program and a records center that consists of records that have been transferred to the department of personnel and that the department will permanently keep and maintain due to the legal, historical, or administrative value or significance of the record; and records that have been transferred, with the approval of the state archivist, to the department of personnel for storage until the final disposition of such records has been met. These records that are in the permanent records program in the state archives are to be made accessible to the public, subject to the requirements of this section, but shall not be removed from the archives.

e) This State Archives & Public Records Fund, funds the State Archive Program within the Division of Central Services within the Department of Personnel & Administration.
f) The State Archives Program establishes fees as are necessary to pay for the direct and indirect costs of storing of records, and responding to requests for information and research from governmental agencies and the general public. Fees are charged for information and genealogy for state agencies that used the program's services. The fees covers such services as:
   i) Fees for physical or digital copies and certified copies of records. Fees are based either on record type and/or page count and are not charged for records that are in the Archives' holdings. There are no fees to look at the records in-house or take photos with a personal camera.
   ii) Fees for security checks on security microfilm - this happens when an agency wants to temporarily withdraw security microfilm for digitization projects.
   iii) Fees for the record storage center. This can be digital or physical records storage and fees are charged quarterly. The agency retains access rights to these records, and the State Archives preserves and stores them.

   All fees collected are transferred to the state treasurer, who then credits the same to the state archives and records cash fund.
g) In FY 2023-24, State Archives fulfilled 3,870 reference requests. The program is projecting an increase of more than 39% in requests.

Central Services Cash Fund - Integrated Document Solutions

a) The fund balance at the beginning of FY 2024-25 was $7,983,222.
b) Any uncommitted capital outlay reserves at the end of a given fiscal year may be used for capital outlay subject to an appropriation in the annual general appropriation act.
c) If the Fund is sunset, the Integrated Document Solutions (IDS) Program will have to become General Funded or will not be able to continue.
d) Section 24-30-1108, C.R.S. - The Central Services Fund was created to fund the provision of centralized services to state agencies. Some of the services provided through IDS include centralized mail processing, messenger, copying, printing, graphic design and data entry. Moneys collected and deposited in the fund are from state and local government user fees and from rebates.
e) This Central Services Fund, funds the Division of Central Services Administration, Reprographics, Document Solutions Group and Mail Services, within the Division of Central Services in the Department of Personnel & Administration.
f) In line with the statute language "Users of department services shall be charged the full cost of the particular service, which shall include the cost of all material, labor, and overhead." IDS fees are set as necessary to pay for the direct and indirect costs for services provided to state agencies. Rates are determined based on the projected cost incurred by the department for providing each particular service, and implemented through the common policy process.
g) IDS serves nearly every Colorado citizen through the services they provide for other state agencies.

Motor Fleet Management Fund - State Fleet Management

a) The fund balance at the beginning of FY 2024-25 was $10,230,035.
b) The moneys in the fund shall be subject to annual appropriation by the general assembly for the purposes of this part 11. Any moneys not appropriated shall remain in the fund and shall not be transferred to or revert to the general fund of the state at the end of any fiscal year.
c) If the Fund is sunset, the State Fleet Management program will have to become General Funded or will not be able to continue.
d) Section 24-30-1115, C.R.S - There is hereby created a fund to be known as the motor fleet management fund, which shall be administered by the department of personnel and which shall consist of all moneys which may be transferred thereto in accordance with section 24-30-1104 (2)(k).
e) The State Fleet Management program supports the State's fleet of approximately 6,800 vehicles.
f) In line with the statute language, the Department shall "allocate and charge against each state agency to which transportation is furnished, on the basis of mileage or on the basis of the period of time for which each vehicle is assigned to the agency, its proportionate part of the cost of maintenance and operation of the motor vehicle fleet."
g) State Fleet Management serves executive/legislative staff, state agency staff, and Public Safety.

Capitol Complex Facilities Fund - Capitol Complex

a) The fund balance at the beginning of FY 2024-25 was $3,459,652.
b) Any uncommitted capital outlay reserves at the end of a given fiscal year may be used for capital outlay subject to an appropriation in the annual general appropriation act.
c) If the Fund is sunset, the Capitol Complex program will have to become General Funded or will not be able to continue.
d) Section 24-30-1108, C.R.S - There is hereby created a department of personnel revolving fund for use in acquiring such materials, supplies, labor, and overhead as are required. Monies collected and deposited in the fund shall be from state and local government user fees and from rebates, including, but not limited to, rebates from car rentals, travel agencies, lodging, and travel cards. The fund shall be under the direction of the executive director.
e) Capitol Complex Facilities Management (Capitol Complex) is responsible for property management, maintenance, and restoration of all state properties within the Capitol Complex including the property at Camp George West, and buildings in Denver, Lakewood, and Grand Junction. Capitol Complex provides statewide coordination of building services, as well as implementation of energy and government greening initiatives in coordination with the Office of the State Architect.
f) Users of department services shall be charged the full cost of the particular service, which shall include the cost of all material, labor, and overhead. The executive director shall have a pricing policy of remaining competitive with or at a lower rate than private industry in the operation of any service function which the executive director establishes.

Monies are used to cover the cost of the physical operation and maintenance for buildings and grounds.

g) Capitol Complex, using essential personnel, maintains 18 buildings, including the Capitol, Governor's residence, and the 690 Kipling Data Center. They provide services to executive/legislative staff, state agency staff, Public Safety, and external customers from the general public.

Liability Fund, Property Fund, and Workers' Compensation Fund - Office of Risk Management

a) The fund balance at the beginning of FY 2024-25 was $3,693,197 in the Liability Fund, $0 in the Property Fund, and $8,223,490 in the Workers' Compensation Fund.
b) At the end of any fiscal year, all unexpended and unencumbered moneys in the funds shall remain therein and shall not be credited or transferred to the general fund or any other fund.
c) If the Fund is sunset, the Office of Risk Management will have to become General Funded or will not be able to continue its statutorily required functions.
d) Section 24-30-1510, C.R.S. - There is hereby created in the state treasury a fund to be known as the risk management fund, which shall consist of all moneys that may be appropriated thereto by the general assembly or that may be otherwise made available to it by the general assembly. Moneys "otherwise made available" shall be deemed to include transfers of moneys to the fund authorized in the general appropriation act. All interest earned from the investment of moneys in the risk management fund shall be credited to the risk management fund and become a part thereof. The moneys in the fund are hereby continuously appropriated for the purposes of the risk management fund other than the direct and indirect administrative costs of operating the risk management system. The general assembly shall make annual appropriations from the fund for the direct and indirect administrative costs of operating the risk management system that are attributable to the operation of the risk management fund.

   Section 24-30-1510.7, C.R.S. - There is hereby created, as a separate account in the risk management fund, the state employee workers' compensation account, which consists of all moneys that may be appropriated thereto by the general assembly and that may be otherwise made available to it by the general assembly for the purpose of establishing a workers' compensation self-insurance program for state employees or for the procurement of commercial workers' compensation insurance in accordance with subsection (2) of this section. Moneys "otherwise made available" include transfers of money to the account authorized in the general appropriation act. The monies in the account are continuously appropriated for the purposes of the state employee workers' compensation account other than the direct and indirect administrative costs of operating the risk management system, including legal services, litigation expenses, and third-party administrator expenses. The general assembly shall make annual appropriations from the account for the direct and indirect administrative costs of operating the risk management system, including legal services, litigation expenses, and third-party administrator expenses, that are attributable to the operation of the state employee workers' compensation account. At the end of any fiscal year, all unexpended and unencumbered moneys in the account must remain in the account and may not be credited or transferred to the general fund or any other fund. All interest earned from the investment of moneys in the account pursuant to this section must be credited to and become part of the account.

Section 24-30-1510.5, C.R.S. - There is hereby created in the state treasury a fund to be known as the self-insured property fund, which shall consist of all moneys that may be appropriated thereto by the general assembly or which may be otherwise made available to it by the general assembly. Moneys "otherwise made available" shall be deemed to include transfers of moneys to the fund authorized in the general appropriation act. All interest earned from the investment of moneys in the self-insured property fund shall be credited to the self-insured property fund and become a part thereof. The moneys in the fund are hereby continuously appropriated for the purposes of the self-insured property fund other than the direct and indirect administrative costs of operating the risk management system. The general assembly shall make annual appropriations from the fund for the direct and indirect administrative costs of operating the risk management system that are attributable to the operation of the self-insured property fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the fund shall remain therein and shall not be credited or transferred to the general fund or any other fund.

e) The Risk Management Fund Provides workers' compensation coverage for State employees. Premiums from state agencies are collected to provide insurance coverage for loss or damage to state property. It Provides self-funded general liability coverage for State agencies and employees for tort and federal claims, including those arising out of the scope of employment. Beginning in FY 2018-19, the liability fund includes a cybersecurity liability insurance policy.
f) The Risk Management funds support all State agencies and institutions of higher education excluding entities who have opted out under HB04-1009.
g) The Risk Management Office serves executive/legislative staff, state agency staff, and Public Safety.

14 Why are we still paying the same amount for Short-term Disability even though we have FAMLI, especially if FAMLI is easier to deal with?

Based on further review of the short-term disability contract, the Department determined the amount should be reduced to align with FAMLI and will be revised in the Governor's Jan 2nd supplemental and budget amendment submission.

DPA Hearing Information Requests

- How many Medicaid appeals that are approved? Data from the PHE and PHE unwind through current fiscal year.

  This response assumes that "approved" means a decision favorable to the appellant. In FY23, 1,343 appeals were filed. Of those, 459 appeals resulted in a decision favorable to the appellant (Medicaid applicant or beneficiary); 110 were unfavorable to appellants; and 774 appeals lacked a final agency decision meaning the parties settled the case, the appeal was withdrawn, or the matter was remanded. In FY24, 2,135 appeals were filed. Of those, 548 resulted in a decision favorable to the appellant; 182 were unfavorable to appellants; and 1,405 appeals lacked a final agency decision. From July 1, 2024 through November 30, 2024, 1,033 appeals were filed. Of those, 241 decisions were favorable to appellants; 84 were unfavorable; and 708 lacked a final agency decision.

- A brief history and operational description of CSEAP, including any information or studies regarding the outsourcing of these services.
  - Caseload and wait times for CSEAP, and a comparison to similar services provided through state employee insurance.
    - The CSEAP data is covered by RFI #1, so a reproduction of that data should suffice.
  - The questions/information requests were largely driven by guest legislators, rather than Committee members.

  Please note that this data is also contained in November's RFI. The Colorado State Employee Assistance Program (CSEAP) is the employee assistance provider for State employees and departments. Per statutorial guidance, the program offers the following services:

    - Mental health counseling
    - Financial assistance to employees
    - Crisis and critical incident response
    - Professional coaching
    - Financial Coaching
    - Resource Consultation
    - Health Coaching
    - Mediation
    - Team facilitation
    - Consultation to department leaders on various topics
    - Psychological Fitness for Duty (PFFD) case management
    - Presentations on wellbeing various topics

CSEAP offices are located in Denver, Colorado Springs, and Grand Junction. Services are offered in-person and via phone or video. CSEAP services are available to all classified and non-classified state employees including employees of participating institutions of higher education. The potential number of 'lives impacted' (common terminology in the EAP field referring to employees served) includes nearly 118,000 classified, non-classified, permanent, temporary, part-time, and full-time employees in all branches of government (*State of Colorado Workforce Report 2022 - 2023*). CSEAP also serves institutions of higher education which includes an additional potential of 35,000+ lives impacted (various institutional websites).

CSEAP was created over 35 years ago in response to Colorado Revised Statute 24-50-604 which provides authority to the State Personnel Director to establish and operate an employee assistance program. In creating such a program, the state has created classified positions to provide services that "address personal problems and workplace issues faced by state employees and employers." At the time of CSEAP inception, the State created "a program" per the guidance of the statute. The state has not previously researched outsourcing EAP services likely due to risk of violations to both statute and personnel rule.

CSEAP caseloads are assigned to available FTE. Factors impacting CSEAP caseloads include vacancies and positions responsible for multiple job duties which limits availability for sole focus on counseling services. CSEAP served 1,568 new cases in FY 24. These new cases were served by 9 FTE (adjusted for staff leave, positions with fractional availability for counseling) which indicates a caseload of 174 new cases per 1 FTE in FY 24. Note that 'new cases' do not account for existing cases that cross over fiscal years; therefore, caseload may extend beyond the average for various clinical positions. According to an OSPB-funded Implementation and Evaluation Grant study spanning 2023 and 2024, CSEAP sessions demonstrated a "significant reduction" in employee mental health symptoms within 3 of 8 available counseling sessions.

Comparable data regarding utilization of mental health counseling sessions - as indicated by member claims - has been provided by Kaiser Permanente and Cigna. Kaiser Permanente processed claims for 1,476 state employees who attended an average of 3.7 visits with a mental health counselor during fiscal year 24. Cigna processed claims for 3,017 state employees who attended at least 1 mental health counseling appointment during fiscal year 24.

CSEAP wait times are influenced by caseload, available staff, and client/employee preferences regarding counselors and appointment times. Wait times may be extended based upon availability of both counselor and requesting employee. CSEAP wait times are calculated by determining the number of business days between the initial contact date and the first appointment date. Data collected through our webform requests (most typical appointment request mode) is used to calculate wait times. Available CSEAP wait time data is listed in the table below.

Table: CSEAP Wait Times		
Month	**FY 2023 - 24**	**FY 2024 - 25 Q1**
July	16.7	20.68
August	17.46	20.11
September	18.2	23.13
October	20.18	
November	20.43	
December	20.7	
January	22.31	
February	23.59	
March	23.96	
April	30.21	
May	29.22	
June	20.2	
Average Wait Time	**21.93 days**	**Full Data Unavailable**

- What is the average processing time for research and document requests for the State Archive?

  Median staff time is six hours per each request.

- Does the Address Confidentiality Program qualify for Proposition KK funding?

  The Address Confidentiality Program (ACP) is a crime victim support service provided by the State and would qualify for Proposition KK funding. Revenue from Proposition KK would go into the Federal Victims of Crime Act (VOCA) Funding, which has seen a 76% decline in funding since 2018. The 6.5% firearms and ammunition excise tax is set to begin in April of 2025. It is estimated that the taxes will generate a revenue of approximately $9 million in the first year of implementation, FY 2024-25, since it is a partial year, and approximately $39 million in FY 2025-26. ACP, as they currently do, would have to apply for the VOCA grant funding just like all other crime victims support programs, and would be competing along with several other applicants as is customary. The grants available for the following calendar year are typically posted in January/February of the preceding calendar year, and the final award decision is not usually received until December. So, the overall process from applying to receiving an award decision takes about 10-11 months.

  As you can see by the information below, the VOCA funding available has decreased over time while the agencies applying for the grant have not.

  - For calendar year 2021-22 VOCA was able to award $90,139,487 in grant funds to 199 different agencies. ACP was awarded $678,534.

- For calendar year 2023-24 VOCA was able to award $51,403,030 in grant funds to 131 different agencies. ACP was awarded $728.608..
- Instead of awarding for 2 calendar years as previously done, VOCA has only published awards for calendar year 25 since the revenue is so uncertain. For calendar year 2025 VOCA will be able to award $25,124,291 in grant funds to 150 different agencies. ACP will be awarded $265,942.

Further, due to the qualifications for the grant, it is likely that ACP will become ineligible. Previously, the grant was obtained on the premise that the program was serving an unexpected, broader population. However, the unexpected population coverage can no longer be justified since it will be known at the time of appropriation.

○ Are there cash funds that could be alternative sources of funding for the R6 request?

Address Confidentiality Program (ACP) is currently funded through General Fund and cash funds. It also receives federal VOCA grant funds as discussed above, and has seen a considerable decline in the amount of grant funding approved for the coming calendar year. ACP is partially funded by the Address Confidentiality Surcharge Cash Fund, which is a fund derived of 95% of a one-time $28 fee assessed to offenders convicted of the following crimes: Stalking; Human trafficking for involuntary servitude or human trafficking of a minor for involuntary servitude in violation of section 18-3-503 of the Colorado Revised Statute (C.R.S); Human trafficking for sexual servitude or human trafficking of a minor for sexual servitude in violation of section 18-3-504 C.R.S; A crime, the underlying factual basis of which has been found by the court on the record to include an act of domestic violence; or Criminal attempt, conspiracy, or solicitation to commit the crimes set forth in subsections (2)(a), (2)(a.5), (2)(a.6), and (2)(b) of the Colorado Revised Statute. The fee is not guaranteed, as the court may waive all or any portion of the surcharge required if the court finds that a person subject to the surcharge is indigent or financially unable to pay all or any portion of the surcharge, and the funds are only available when collected.

- What has been the growth of the state fleet over the last decade?

The chart below illustrates the past 10 years of State fleet growth. This equates to an average of 1.3% or 90 vehicles per year. The slight reduction in FY 2022-23 was the impact of supply chain interruption that contributed to the increased growth in FY 2023-24. FY 2024-25 is projecting an additional 1.5% increase in the fleet to approximately 6,827 vehicles.

Fiscal Year	Vehicle Count	Growth Rate
FY 2013-14	5,898	N/A
FY 2014-15	6,059	2.7%
FY 2015-16	6,183	2.0%

FY 2016-17	6,256	1.2%
FY 2017-18	6,260	0.1%
FY 2018-19	6,312	0.8%
FY 2019-20	6,379	1.1%
FY2020-21	6,488	1.7%
FY 2021-22	6,564	1.2%
FY 2022-23	6,546	-0.3%
FY 2023-24	6,729	2.8%

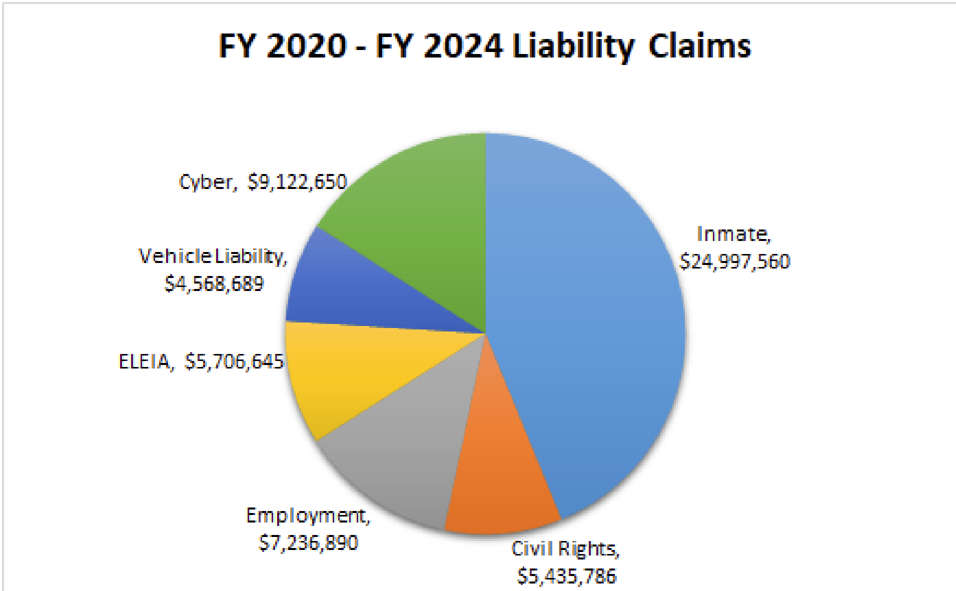
- A brief description of how the State finances the purchase of vehicles through a trust was requested.

  SFM adopted the trust model to facilitate the lease-purchase of state fleet vehicles in the early 2000s based on a 2002 Attorney General (AG) finding and recommendation. Each year, DPA works with the AG's Office to ensure that the requirements and authority still meet the mandates to establish the lease purchase option.

  Governments frequently use lease-purchases to acquire assets because the time value of money reduces their total cost in comparison to an outright purchase. Rather than paying the entire purchase price up front, the government puts some of the money to other uses until payments are due as the asset is used. This advantage is largely due to governments engaging in lease-purchase financing whereby the interest income received by the lessor or its creditors is typically exempt from federal and income tax. per 26 U.S.C. § 103 (2001). See also § 39-22-112(1), C.R.S. (2001). This tax benefit encourages investment in public financing at reduced rates of interest, which in turn lowers the total financed cost to the taxpayers of acquiring the asset. Because budgets are appropriated for only one year the trust is reestablished for each cycle. On rare occasions a vehicle is purchased outright due to specific circumstances. For example, a vehicle may be purchased outright due to a grant with a limited timeline. These purchases will never be part of the department's Lease Line request.

- What are the primary factors (3-5) driving the liability cost increase in the last four fiscal years?

Recent increases in liability costs are driven by large claims, cyber-attacks, the social justice landscape, and legislation. The following table shows a breakdown of claims by category for FY 2019-20 to FY 2023-24.



Inmate claims were $25.0 million (44%), cybersecurity claims were $9.1 million (16%), employment claims were $7.2 million (13%), ELEIA (Enhanced Law Enforcement Integrity Act) claims were $5.7 million (10%), civil rights claims were $5.4 million (10%), and vehicle liability claims were $4.6 million (8%). It is difficult to pin increases on any one category given the fluctuation in large claim settlements and filing timelines. An exception to this is cyber security claims which were minimal prior to FY 2022-23 and FY 2023-24 when they totaled $9.1 million. Of note, there have also been some particularly large inmate settlements and Fair Labor Standards Act (FLSA) claims. The recent social justice and policy landscape has led to increased court awards and settlements around the country. Legislation passed in recent years has also increased the State's liability exposure. For example, S.B. 20-217, "Enhance Law Enforcement Integrity Act" has resulted in $5.7 million across 23 claims.