



JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 27,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and CORE operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs. The Department's FY 2022-23 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
H.B. 22-1329 (Long Bill)	\$230,446,221	22,926,329	\$11,477,215	\$196,042,677	\$0	424.8
Other legislation	6,943,125	4,656,864	389,406	1,896,855	0	18.4
TOTAL	\$237,389,346	\$27,583,193	\$11,866,621	\$197,939,532	\$0	443.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$237,389,346	27,583,193	\$11,866,621	\$197,939,532	\$0	443.2
R1 COE common policy	0	(467,374)	41,392	425,982	0	0.0
R2 Labor union support team	1,833,908	1,833,908	0	0	0	15.1
R3 COWINS Partnership Agreement amendments	30,004,602	30,004,602	0	0	0	58.9
R4 Centralized sustainability office	478,234	478,234	0	0	0	3.2
R5 Statewide central services support	2,072,601	2,072,601	0	0	0	15.7
R6 Capitol Complex staffing	595,329	0	0	595,329	0	6.9
R7 State fleet management workload	198,073	0	0	198,073	0	1.8
R8 Transfer of Performance Budgeting system	105,562	0	0	105,562	0	1.0
R9 OAC case management system upgrade	219,000	0	219,000	0	0	0.0
R10 IDS inserter equipment	0	0	0	0	0	0.0
R11 Employee engagement survey vendor	285,000	285,000	0	0	0	0.0
R12 Annual fleet vehicle replacements	2,719,485	0	0	2,719,485	0	0.0
Centrally appropriated line items	6,013,461	4,215,948	230,472	1,567,041	0	0.0
Risk management base adjustment	5,958,829	0	0	5,958,829	0	0.0
CORE operations base adjustment	490,940	0	2,176,300	(1,685,360)	0	0.0

Non-prioritized requests	449,348	200,544	10,360	238,444	0	0.0
Indirect cost assessment	331,445	(762,390)	35,276	1,058,559	0	0.0
Capital Complex leased space base adjustment	266,163	0	3,974,157	(3,707,994)	0	0.0
Annualize prior year budget actions	446	219,821	(243,029)	23,654	0	0.0
Procurement card rebate refinance	0	(100,000)	100,000	0	0	0.0
Annualize prior year legislation	(3,459,094)	(2,354,708)	(309,513)	(794,873)	0	2.7
Technical adjustments	(923,855)	(785,076)	(138,779)	0	0	0.0
TOTAL	\$285,028,823	\$62,424,303	\$17,962,257	\$204,642,263	\$0	548.5
INCREASE/(DECREASE)	\$47,639,477	\$34,841,110	\$6,095,636	\$6,702,731	\$0	105.3
Percentage Change	20.1%	126.3%	51.4%	3.4%	0.0%	23.8%

R1 CENTER FOR ORGANIZATIONAL EFFECTIVENESS (COE) COMMON POLICY [REQUIRES LEGISLATION]: The request includes a decrease of \$467,374 General Fund, offset by an increase of \$41,392 cash funds and \$425,982 reappropriated funds, to change the funding model of the Department’s Center for Organizational Effectiveness from a fee-for-service program to a common policy in FY 2023-24. The request annualized to \$482,374 reappropriated funds in FY 2024-25. The request also includes non-prioritized request affecting multiple departments statewide. The Department identifies this request as theory-informed.

The change to a common policy distributes the cost of the COE amongst the various Departments and agencies within the State, showing as non-prioritized requests is operating budgets statewide. The cost distribution carries a General Fund impact, partially offsetting the reduction requested within the Department of Personnel’s operating budget. The net impact of the request is an increase of \$425,983 total funds, including a decrease of \$272,416 General Fund, in FY 2023-24.

R1 COE COMMON POLICY FY 2023-24 BUDGET IMPACT					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Personnel	\$0	(\$467,374)	\$41,392	\$425,982	\$0
Statewide	425,983	194,958	130,210	82,805	18,010
Net budget impact	\$425,983	(\$272,416)	\$171,602	\$508,787	\$18,010

R2 LABOR UNION SUPPORT TEAM: The request includes an increase of \$1.8 million General Fund and 15.1 FTE in FY 2023-24 to provide additional support with the negotiations and implementation of the COWINS Partnership Agreement and its 38 side agreements. The request annualizes to \$2.3 million General Fund and 19.7 FTE in FY 2024-25 and ongoing. The request also includes a non-prioritized request in the Governor’s Office for \$420,341 General Fund and 2.8 FTE in FY 2023-24, annualizing to \$398,653 General Fund and 3.0 FTE in FY 2024-25. The Department indicates that a related supplemental request also will be made.

CROSS-DEPARTMENT IMPACT SUMMARY - R2 LABOR UNION SUPPORT TEAM						
	FY 2022-23		FY 2023-24		FY 2024-25	
	GENERAL FUND	FTE	GENERAL FUND	FTE	GENERAL FUND	FTE
Personnel	\$174,042	1.3	\$1,833,908	15.1	\$2,268,009	19.7
Governor's Office	0	0.0	420,341	2.8	398,653	3.0
Total	\$174,042	1.3	\$2,254,249	17.9	\$2,666,662	22.7

The request more than doubles the current appropriations to the Labor Relations Services subdivision within the Division of Human Resources. The requested FTE includes negotiators, an attorney, data analysts, program and administration support staff, and trainers.

R3 COWINS PARTNERSHIP AGREEMENT AMENDMENTS: The request includes an increase of \$30.0 million General Fund and 58.9 FTE in FY 2023-24 to: provide implementation support of Article 31.6 of the COWINS Partnership Agreement; implement professional development bonuses; expand recruitment, marketing, and branding; and expand leadership training programs. The request annualizes to \$27.6 million General Fund and 34.0 FTE in FY 2024-25 and ongoing. The Department indicates that a related supplemental request also will be made.

IMPACT SUMMARY - R3 COWINS PARTNERSHIP AGREEMENT AMENDMENTS

REQUEST ASPECT	FY 2022-23				FY 2023-24				FY 2024-25	
	GENERAL FUND	FTE			GENERAL FUND	FTE			GENERAL FUND	FTE
		TERM-LIMITED	PERMANENT	TOTAL		TERM-LIMITED	PERMANENT	TOTAL		
Article 31.6 support	\$1,267,083	8.5	0.3	8.8	\$5,004,602	35.6	16.0	51.6	\$2,572,696	26.0
Professional Development	0	0.0	0.0	0.0	15,000,000	0.0	1.8	1.8	15,000,000	2.0
Recruitment and marketing	0	0.0	0.0	0.0	7,500,000	0.0	0.9	0.9	7,500,000	1.0
Leadership Training	0	0.0	0.0	0.0	2,500,000	0.0	4.6	4.6	2,500,000	5.0
Total	\$1,267,083	15.3	0.3	8.8	\$30,004,602	35.6	23.3	58.9	\$27,572,696	34.0

R4 CENTRALIZED SUSTAINABILITY OFFICE: The request includes an increase of \$478,234 General Fund and 3.2 FTE in FY 2023-24 to create a central Sustainability Office within the Department to coordinate and implement sustainability practices across state agencies. The request annualizes to \$489,369 General Fund and 3.5 FTE in FY 2024-25 and ongoing. JBC staff is assessing whether or not this request requires legislation.

R5 STATEWIDE CENTRAL SERVICES SUPPORT: The request includes an increase of \$2.1 million General Fund and 15.7 FTE in FY 2023-24 to provide additional administrative, human resources, financial operations and reporting, procurement and contract support, and vendor engagement. The request annualizes to \$2.1 million General Fund and 17.0 FTE in FY 2024-25 and ongoing. The additional centralized support staff are intended to address increased workload resulting from steady growth in the number of people employed by the State over the last decade.

IMPACT SUMMARY - R5 STATEWIDE CENTRAL SERVICES SUPPORT

	FY 2023-24		FY 2023-24	
	GENERAL FUND	FTE	GENERAL FUND	FTE
Executive Director's Office	\$578,407	2.8	\$605,877	3.0
Div. of Human Resources	635,226	5.5	640,462	6.0
Div. of Accounts and Control	858,968	7.4	872,793	8.0
Total	\$2,072,601	15.7	\$2,119,132	17.0

R6 CAPITOL COMPLEX STAFFING: The request includes an increase of \$595,329 reappropriated funds and 6.9 FTE in FY 2023-24 to increase maintenance and groundskeeping staffing within the Capitol Complex. The request annualizes to \$569,312 reappropriated funds and 7.5 FTE in FY 2024-25 and ongoing. The additional staffing resources are to address an increase in ongoing maintenance and groundskeeping work, as well as to accommodate heightened cleaning duties in the Capitol during legislative session to address an increase in small, ad hoc events. The request also includes non-prioritized request affecting multiple departments statewide, as well as having an impact on the Capitol Complex leased space common policy.

**R6 CAPITOL COMPLEX STAFFING
FY 2023-24 BUDGET IMPACT**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Personnel	\$595,329	\$0	\$0	\$595,329	\$0	6.9
Statewide	595,329	367,564	48,568	147,897	31,300	0.0

**R6 CAPITOL COMPLEX STAFFING
FY 2023-24 BUDGET IMPACT**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Net budget impact	\$1,190,658	\$367,564	\$48,568	\$743,226	\$31,300	6.9

R7 STATE FLEET MANAGEMENT WORKLOAD: The request includes an increase of \$198,073 reappropriated funds and 1.8 FTE in FY 2023-24 to address workload increases in the management of the State’s fleet of vehicles. The request annualizes to \$196,360 reappropriated funds and 2.0 FTE in FY 2024-25 and ongoing.

R8 TRANSFER OF PERFORMANCE BUDGETING SYSTEM: The request includes an increase of \$105,562 reappropriated funds and 1.0 FTE in FY 2023-24 and ongoing to transfer the management of the State’s Performance Budgeting system from the Governor’s Office to the Office of the State Controller. The request also includes non-prioritized request affecting multiple departments statewide.

R9 OAC CASE MANAGEMENT SYSTEM UPGRADE: The request includes an increase of \$219,000 cash funds in FY 2023-24 to upgrade the Office of Administrative Courts case management system. The request annualizes to \$21,000 reappropriated funds in FY 2024-25 and ongoing.

R10 INTEGRATED DOCUMENT SOLUTIONS (IDS) INSERTER EQUIPMENT: The request includes a budget neutral shift of \$307,243 reappropriated funds between line items within Integrated Document Solutions in FY 2023-24 and ongoing for the lease-purchase of a new high-volume printing inserter to replace the currently underperforming equipment.

R11 EMPLOYEE ENGAGEMENT SURVEY VENDOR: The request includes an increase of \$285,000 General Fund in FY 2023-24 to address increased vendor costs for the biennial Employee Engagement Survey, which gives state employees the opportunity to provide operational feedback.

R12 ANNUAL FLEET VEHICLE REPLACEMENTS: The request includes an increase of \$2.7 million reappropriated funds to replace 583 vehicles in the State’s fleet. Of the vehicles to be replaced, the Department has identified 410 as potential alternative fuel vehicles (AFV), 259 electric vehicles. For individual State agencies, this request will require an increase of \$659,347 in total funding for the respective Vehicle Lease Payments line item appropriations, with an estimated \$16,365 increase in General Fund in FY 2023-24. The request also includes non-prioritized request affecting multiple departments statewide

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$2,349,611	\$663,657	\$90,500	\$1,595,454	\$0	0.0
Salary survey	1,929,591	838,534	63,008	1,028,049	0	0.0
Health, life, and dental	1,086,364	597,313	1,817	487,234	0	0.0
Legal services	305,206	277,738	105,266	(77,798)	0	0.0
Capitol Complex leased space	248,510	1,472,232	(9,652)	(1,214,070)	0	0.0
AED	233,561	162,059	(3,095)	74,597	0	0.0
SAED	233,561	162,059	(3,095)	74,597	0	0.0
Workers’ compensation	71,574	30,420	3,962	37,192	0	0.0
Vehicle lease payments	38,391	0	390	38,001	0	0.0
Short-term disability	4,304	3,758	(221)	767	0	0.0
PERA Direct Distribution	(265,053)	45,824	(17,991)	(292,886)	0	0.0
Risk management and property adjustment	(149,553)	(18,654)	3,150	(134,049)	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE adjustment	(53,368)	(10,723)	90	(42,735)	0	0.0
ALJ services	(11,926)	(8,269)	(3,657)	0	0	0.0
Shift differential	(7,312)	0	0	(7,312)	0	0.0
TOTAL	\$6,013,461	\$4,215,948	\$230,472	\$1,567,041	\$0	0.0

RISK MANAGEMENT BASE ADJUSTMENT: The request includes an increase of \$5,958,829 reappropriated funds for adjustments to the Risk Management program for anticipated payments to be required by the liability, property, and workers' compensation components of the common policies. This increase is driven primarily by increases in property policies, liability legal services, and liability claims.

CORE OPERATIONS BASE ADJUSTMENT: The request includes an increase \$490,940 total funds, including an increase of \$2.2 million cash funds and a decrease of \$1.7 million reappropriated funds, for CORE operations base adjustments.

NON-PRIORITIZED REQUESTS: The request includes the following non-prioritized request items, which are linked to decision items in other departments and common policy decisions.

NON-PRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$238,026	\$83,052	\$8,567	\$146,407	\$0	0.0
DPA Capitol complex staffing	202,411	114,384	1,472	86,555	0	0.0
DPA COE common policy	5,928	2,067	213	3,648	0	0.0
DPA Transfer perf. budgeting to DPA	2,983	1,041	108	1,834	0	0.0
TOTAL	\$449,348	\$200,544	\$10,360	\$238,444	\$0	0.0

INDIRECT COST ASSESSMENT: The request includes a net increase of \$331,445 total funds, including a decrease of \$762,390 General Fund, for adjustments to indirect costs across the Department.

CAPITOL COMPLEX LEASED SPACE BASE ADJUSTMENT: The request includes an increase of \$266,163 total funds, including an increase of \$4.0 million cash funds and a decrease of \$3.7 million reappropriated funds, for base adjustments to the Capitol Complex leased space common policy.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of \$446 total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 13-14 CP2 employee engagement Survey	\$215,000	\$215,000	\$0	\$0	\$0	0.0
FY 20-21 R2 Telematics for state fleet vehicle	214,539	0	0	214,539	0	0.0
FY 22-23 NPBA1 Colorado WINS Partnership Agreement	76,391	31,288	2,499	42,604	0	0.0
FY 22-23 R7 CCLS Svc Cont	54,472	0	(245,528)	300,000	0	0.0
FY 21-22 R4 OAC translation services	35,000	0	0	35,000	0	0.0
FY 22-23 R8 IDS infrastructure refresh	0	0	0	0	0	0.0
FY 22-23 BA4 HCPF pub health emergency end	(295,300)	0	0	(295,300)	0	0.0
FY 22-23 BA3 IDS spending authority	(273,189)	0	0	(273,189)	0	0.0
FY 22-23 Governor's transition funding	(25,000)	(25,000)	0	0	0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 22-23 salary survey	(1,319)	(1,319)	0	0	0	0.0
FY 22-23 R5 Equity for people with disabilities	(79)	(79)	0	0	0	0.0
FY 22-23 R10 Tuition reimbursement program	(69)	(69)	0	0	0	0.0
TOTAL	\$446	\$219,821	(\$243,029)	\$23,654	\$0	0.0

PROCUREMENT CARD REBATE REFINANCE: The request includes a net-zero refinance of \$100,000 General Fund with an equivalent amount of cash funds from rebates anticipated from the state purchasing card program. The Procurement Card Program has realized an increase in rebate revenue, which is used to offset General Fund.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of \$3.5 million total funds to reflect the FY 2023-24 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
SB 13-276 Disability Investigational And Pilot Support Fund	\$82,000	\$0	\$82,000	\$0	\$0	0.0
SB 22-051 Policies to reduce emissions from built environment	81,966	81,121	0	845	0	1.0
HB 22-1325 Primary care alternative payment models	18,593	18,593	0	0	0	0.3
HB 22-1007 Assistance landowner wildfire mitigation	664	0	0	664	0	0.0
HB 22-1083 Colorado homeless contribution income tax credit	428	0	0	428	0	0.0
HB 21-1303 Global warming potential for public project materials	0	0	0	0	0	0.1
SB 22-097 Whistleblower protection health/safety	0	(228,499)	0	228,499	0	0.0
SB 22-206 Disaster preparedness and recovery resources	0	0	(19,334)	19,334	0	0.0
SB 22-233 TABOR refund mechanism for FY 2021-22 only	(1,715,635)	0	0	(1,715,635)	0	0.0
SB 22-193 Air quality improvement investments	(750,000)	(750,000)	0	0	0	0.0
HB 22-1397 Statewide equity office	(458,744)	(458,744)	0	0	0	0.9
HB 21-1311 Income tax	(252,574)	0	0	(252,574)	0	0.0
SB 22-163 Establish State procurement equity program	(212,651)	(1,174,013)	0	961,362	0	0.4
SB 14-214 PERA studies conducted by actuarial firm	(125,000)	(125,000)	0	0	0	0.0
SB 22-217 Programs that benefit persons with disabilities	(65,545)	0	(65,545)	0	0	0.0
SB 22-130 State entity authority for public-private partnerships	(18,600)	288,034	(306,634)	0	0	0.0
SB 22-013 Boards and commissions	(14,105)	0	0	(14,105)	0	0.0
HB 22-1026 Alternative transportation options tax credit	(12,194)	0	0	(12,194)	0	0.0
HB 22-1205 Senior housing income tax credit	(11,165)	0	0	(11,165)	0	0.0
HB 22-1337 State Personnel Director's compensation report	(6,200)	(6,200)	0	0	0	0.0
HB 22-1010 Early childhood educator income tax credit	(332)	0	0	(332)	0	0.0
TOTAL	(\$3,459,094)	(\$2,354,708)	(\$309,513)	(\$794,873)	\$0	2.7

TECHNICAL ADJUSTMENTS: The request includes a net decrease of \$1.0 million total funds for technical adjustments, summarized in the following table.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
CO state archive digital storage	\$57,834	\$57,834	\$0	\$0	\$0	0.0
OSA software adjust	3,689	3,689	0	0	0	0.0
ADL equiv. payments	(985,378)	(846,599)	(138,779)	0	0	0.0
TOTAL	(\$923,855)	(\$785,076)	(\$138,779)	\$0	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Personnel that included \$750,000 originating as state General Fund and \$1.8 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

R1 CENTER FOR ORGANIZATIONAL EFFECTIVENESS COMMON POLICY: The Department of Personnel has requested a restructure and refinance of the Center for Organizational Effectiveness (COE), which would shift its funding from a fee-for-service model to an operating common policy.

OPERATING COMMON POLICIES – OVERVIEW AND REQUESTS: The Department of Personnel currently administers centralized budgeting policies described as Operating Common Policies. These policies refer to an array of statewide services, including Administrative Law Judge Services, Workers' Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space and Utilities, CORE Operations, Vehicle Lease Payments, and the Document Solutions Group.

FOR MORE INFORMATION

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