

Department of Personnel & Administration (DPA) SMART Act Hearing

Joint Business Affairs & Labor Committee
January 27, 2021



Agenda

- Department Background
- Equity, Diversity & Inclusion
- State Workforce
- Good Government



Department Background

- Mission & Vision
- Role in Government
- Org Chart
- Funding
- Flexible Work Arrangements



Mission

The Department of Personnel & Administration is the foundation for dependable state government, leading with responsiveness, integrity, and teamwork. We provide services to other government agencies and all Coloradans by taking bold initiative toward a government with engaged employees, innovative solutions, and constructive partnerships. Good government starts here.

Vision

Building successful state government through initiative and collaboration.



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

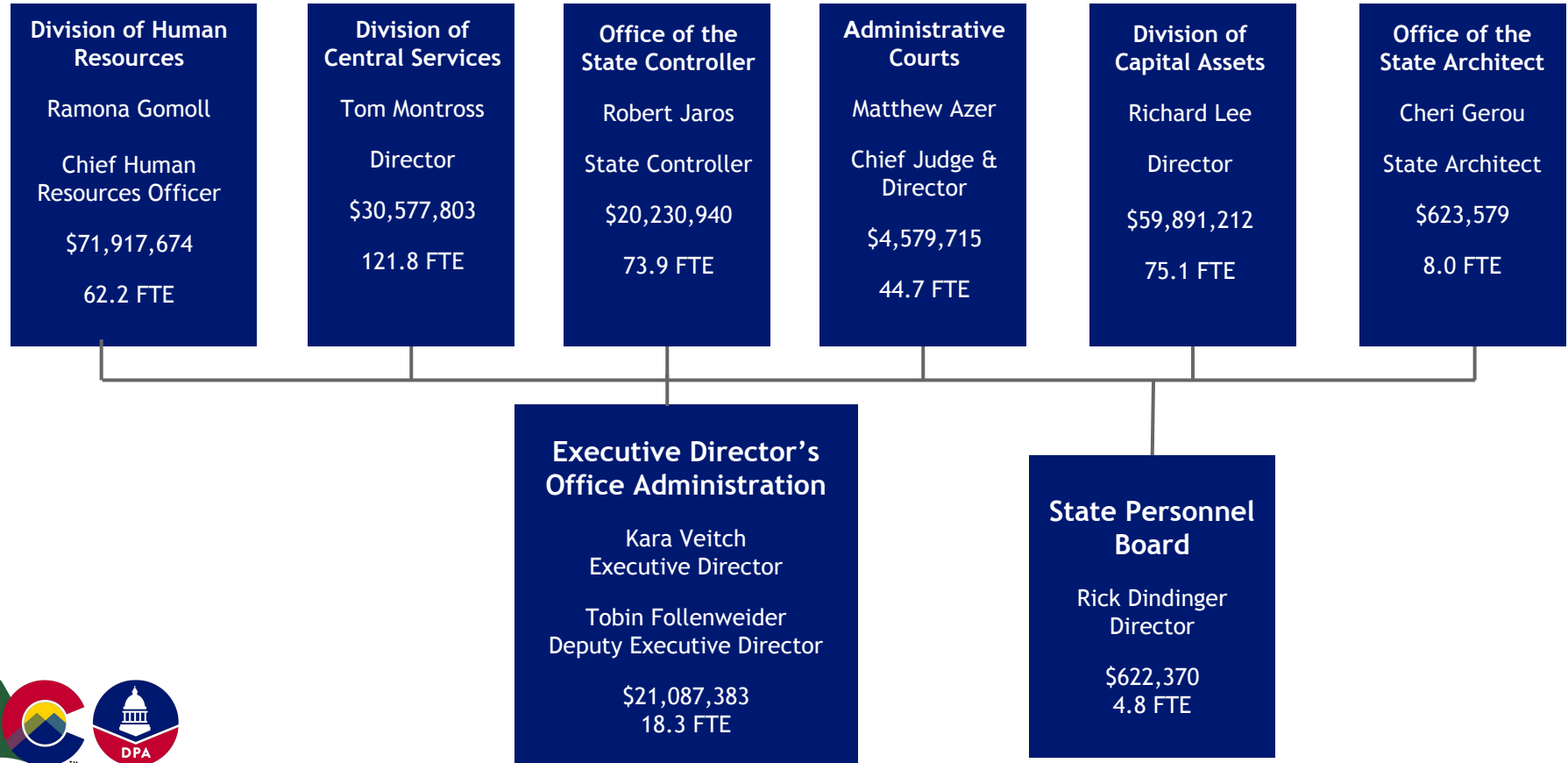


Programs

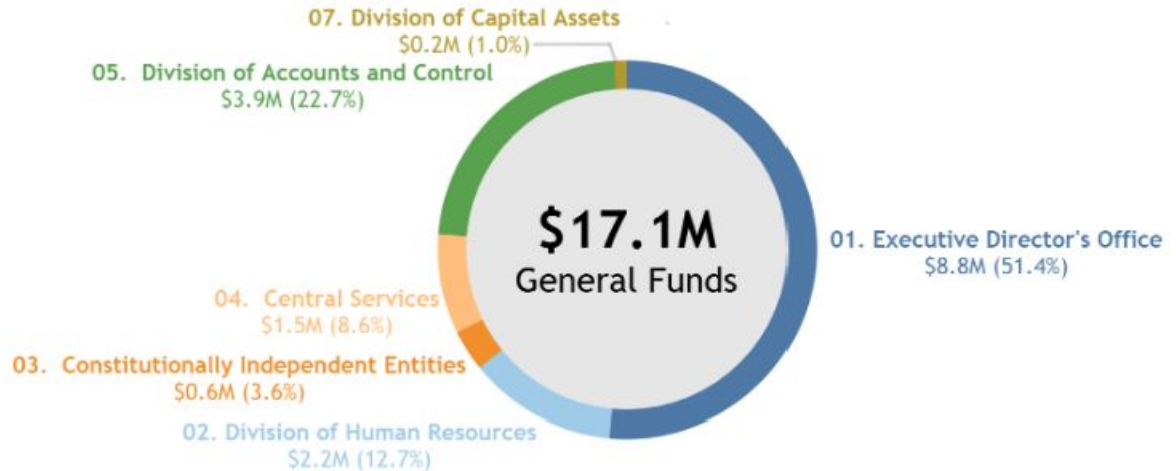
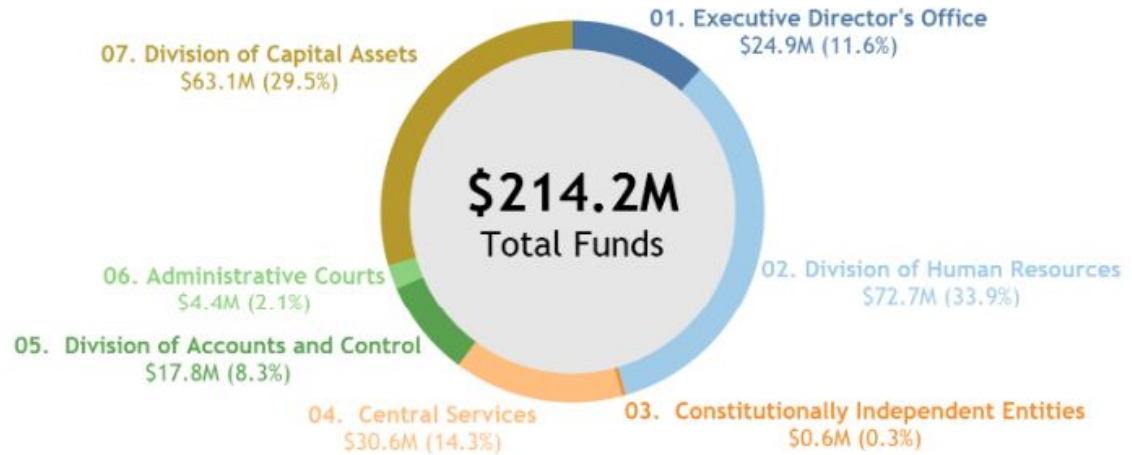
DPA provides central programs offered as valuable services to Colorado residents and State employees



Organizational Chart



DPA FY 2021-22 Budget Overview



DPA New Workplace Planning

- Winter 2020
 - Department-wide discussions
- Spring 2021
 - Increase remote work training
- Summer 2021
 - Build a space utilization plan
 - Improve remote work solutions
 - Identify alternative work schedules
- Fall 2021
 - Identify parking/transit solutions
 - Implement new long term schedules



Reimagine State Government



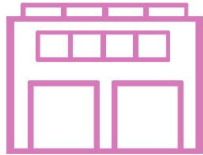
**PROTECT THOSE IN
STATE CUSTODY**



**INCREASE EMPLOYEE
ENGAGEMENT**



**ACCOMPLISH MORE
BOLD GOALS (WIGS)**



**REDUCE OUR
PHYSICAL FOOTPRINT**



**INCREASE ACCESS TO
VIRTUAL SERVICES**



**RESPONSIBLY REDUCE
STATE BUDGET**

Wildly Important Goals (WIGs)



State as Employer of Choice

The State of Colorado is committed to non-discriminatory practices and providing equitable opportunity for employment and advancement in all of our departments, programs, services, and worksites. DPA aims to increase the employee engagement pulse survey response to “I see leadership support of equity, diversity and inclusion” from 50.7% favorable to 55.7% favorable by June 30, 2021.



Efficiencies & Innovations

The State Purchasing and Contracts Office made strides in improving contracting practices through its work to modernize the procurement code and by championing Invitations to Negotiate. To ensure the State effectively manages its contracts, contractors, and fulfills its own contractual responsibilities, DPA will design and deliver contract management training to 75% of certified contract managers by June 30, 2021.



Reimagine State Government

To support our State employees with flexible work arrangements and workspaces to meet our changing needs, DPA will develop a statewide space plan by June 30, 2021, which aims to reduce the State’s physical footprint by one million square feet by 2025 while still providing the quality service Coloradans depend on.

Equity, Diversity & Inclusion

- Statewide Efforts
- Procurement Disparity Study
- DPA EDI Plan



Equity, Diversity, and Inclusion - Statewide

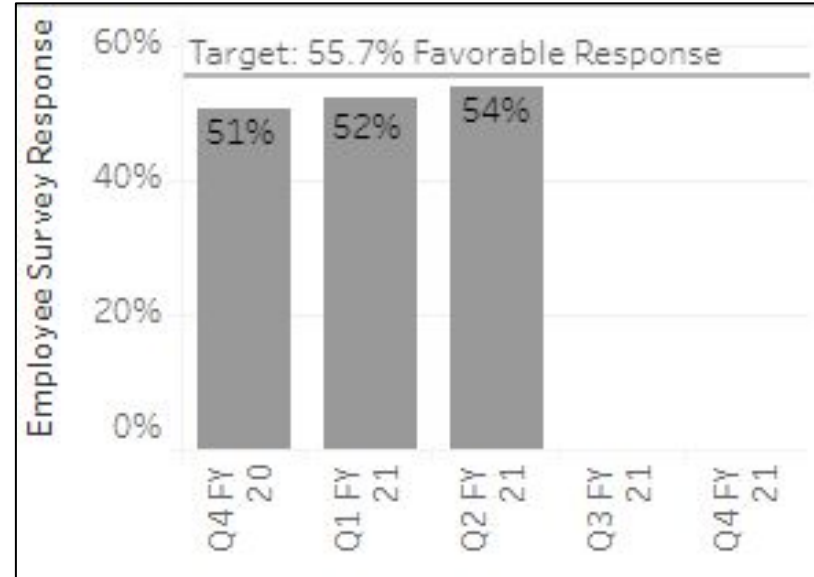
In accordance with the Governor's Executive Order [2020 175](#), the Department has prepared a plan to improve equity, diversity, and inclusion, including efforts to:

- Develop and deploy Universal Policy ✓
- Develop Statewide EDI report template ✓
- Design and implement statewide EDI training ✓
- Develop and deploy accessibility standards
- Address findings from Procurement Disparity Study
- Design EDI strategic plan for DPA ✓



WIG: Employer of Choice - Equity, Diversity, & Inclusion

To strengthen our Equity, Diversity, and Inclusion (EDI) mindset as a State employer; increase the Employer of Choice pulse survey response to, “I see leadership support of equity, diversity, and inclusion,” from 50.7% to 55.7% statewide.



2020 State of Colorado Procurement Disparity Study

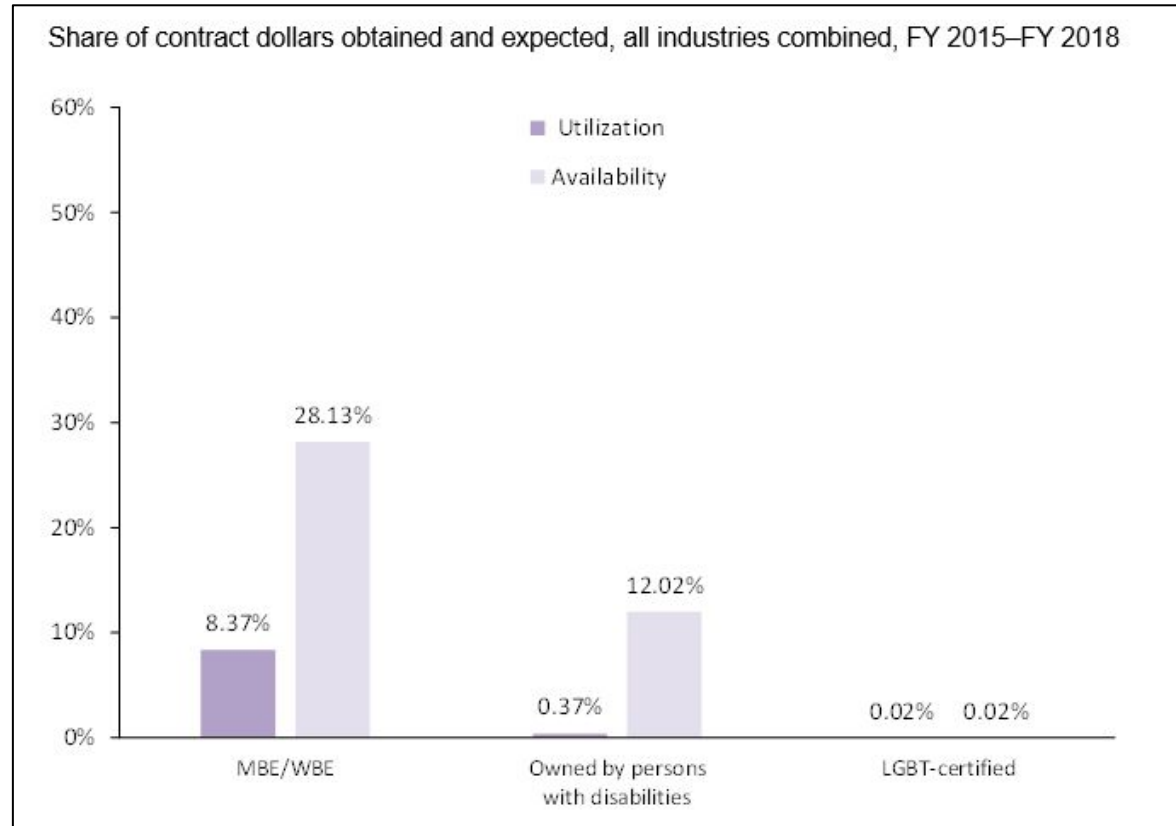
Disparity study mandated by SB 19-135 (effective July 1, 2019) required:

- Study of executive agency contracts for July 2014-June 2018 (except institutions of higher education, opting out of Procurement Code)
 - Construction
 - Construction-related professional services
 - Other professional services
 - Brokerage and investment
 - Goods
 - Other services
- Analysis of disparities in State contracts for firms owned by:
 - African Americans
 - Asian Americans
 - Hispanic Americans
 - Native Americans
 - Women
 - Persons with physical or mental disabilities
 - Members of the LGBT community

[Report](#) to General Assembly by Dec. 1, 2020



Procurement Disparity Analysis for State Contracts



Procurement Disparity Study Recommendations

1. Establish a policy and overall annual aspirational goals for eligible contracts
2. Remove barriers to small business participation
3. Work with partners to increase readiness of diverse businesses for State contracts
4. Authorize and implement equity tools
5. State agencies that did not participate in disparity study should conduct own studies or other equity review



DPA EDI Plan

- **EDI Awareness & Celebrations:** Foster inclusivity across our department
- **Talent Acquisition:** Redesign program into inclusive process that attracts applicants of all backgrounds & experiences
- **Training & Development:** Educate employees on EDI in a strategic and sustainable manner
- **EDI Foundation:** Provide tools & resources necessary to support efforts and progress in EDI







State Workforce

- Workforce Report
- Total Compensation Report
- Collective Bargaining with WINS

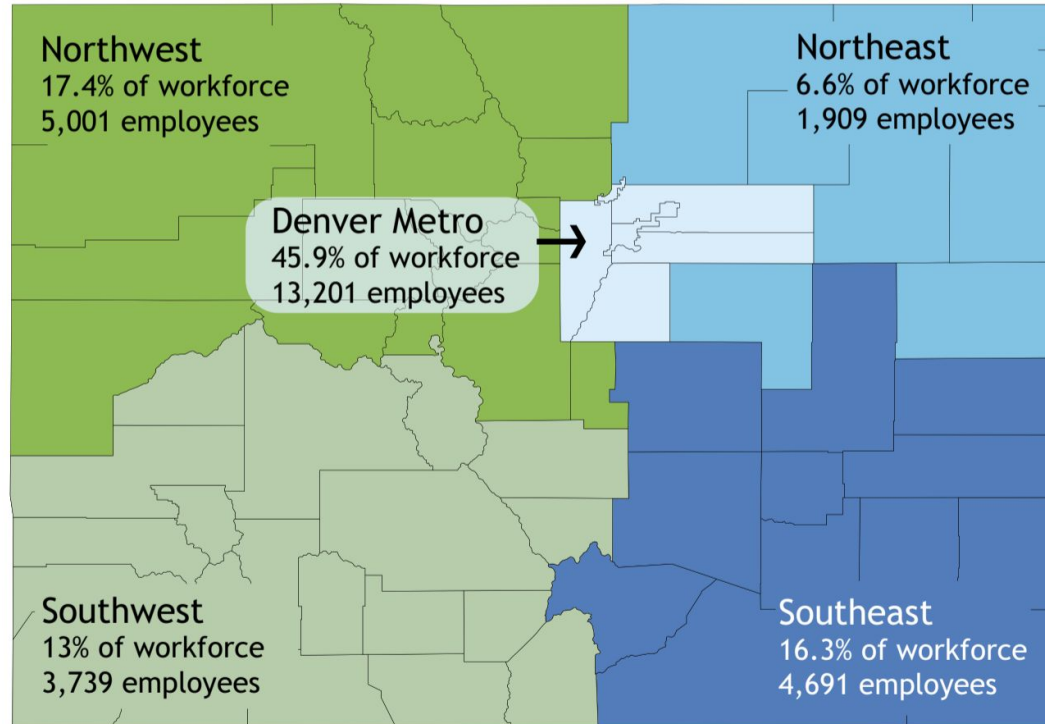


Workforce Report FY 2019-20

FY 2019-20 Classified Workforce at a Glance

	29,112	Number of Employees
	45.7	Average Age
	\$61,640	Average Annual Salary
	9.5	Average Years of Service

Workforce Report FY 2019-20



- 0.8% (230 employees) fall under Other.
- Based on data from 7/1/19 - 6/30/20
- Based on the physical work location in the workforce database

Workforce Report FY 2019-20

Measure	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	% Change
Permanent, Classified Employees	31,259	31,092	29,180	28,735	28,611	29,112	1.75%
Average Age	46.8	46.7	46.2	45.9	45.8	45.7	-0.32%
Median Age	47.6	47.3	46.7	46.5	46.1	45.8	-0.56%
Average Length of Service	10.0	10.0	9.7	9.7	9.6	9.5	-1.04%
Median Length of Service	8.1	8.3	7.8	7.5	7.1	6.8	-3.87%
Average Salary	\$53,322	\$54,122	\$55,398	\$57,270	\$59,104	\$61,640	4.29%
Median Salary	\$48,624	\$49,214	\$50,286	\$51,876	\$53,436	\$56,388	5.52%
Eligible to Retire Within One Year	20.7%	20.7%	19.6%	19.5%	19.6%	19.2%	-2.04%
Eligible to Retire Within Five Years	36.5%	36.4%	34.6%	34.3%	34.0%	33.7%	-0.88%
Turnover	11.7%	11.8%	14.4%	14.7%	15.5%	13.9%	-10.32%



Total Compensation Summary FY 2021-22

Component of Total Compensation	State of Colorado	Prevailing Market	Variance Between State and Market
Average Base Salary*	\$66,033	\$74,676	-11.6%
Average Incentive Pay**	n/a	\$4,997	n/a
Medical	\$11,000 (16.7% of base pay)	\$11,000 (14.7% of base pay)	=
Dental	\$521 (0.8% of base pay)	\$495 (0.7% of base pay)	+5.0%
Vision	(Included in medical)	\$28 (0.04% of base pay)	n/a
Retirement	\$7,198 (10.9% of base pay)	\$10,081 (13.5% of base pay)	-19.3%
Short-Term Disability***	\$99 (0.15% of base pay)	\$0 (0% of base pay)	n/a
Long-Term Disability****	\$0 (0.0% of base pay)	\$224 (0.3% of base pay)	n/a
Life and AD&D Insurance	\$86 (0.13% of base pay)	\$119 (0.16% of base pay)	-18.75%
Total	\$84,937	\$101,620	-16.4%



Total Compensation Over the Years

	FY 2019-20	FY 2020-2021	FY 2021-2022
State of Colorado Total Compensation	\$83,927	\$84,038	\$84,937 \$86,291 with proposed ATB increase
Prevailing Market Total Compensation	\$92,405	\$92,924	\$101,620
Variance Between State & Market	-9.2%	-11.5%	-16.4% -15.1% with proposed ATB increase
Changes to Compensation Approved by the General Assembly	<p>3% ATB annual rate increase for all state employees</p> <p>The Executive Branch received funds to move the minimum wage for state employees up to \$12/ hour effective July 1. All pay ranges were increased by 2%</p>	2% ATB annual rate increase was proposed for all state employees	Proposed 2.05% ATB annual rate increase for all state employees

Reimagine State Government: Employee Engagement



**INCREASE EMPLOYEE
ENGAGEMENT**

- Increase Employee Engagement pulse survey index score from 70%-77% by 2025
- Ensuring alignment with the State of Colorado's Employer of Choice and Equity, Diversity, & Inclusion initiatives
- Support to agency's employee engagement efforts by sharing best practices across the agencies

Collective Bargaining Timeline

- January - Joint collective bargaining training
 - Weekly collective bargaining begins
- August - Mediation, if necessary
- September/October - Employee ratification
- November 1 - Submission of Governor's Budget



Good Government

- Reducing our Physical Footprint
- Contract Management



Reimagine State Government: Reduce Our Physical Footprint



**REDUCE OUR
PHYSICAL FOOTPRINT**

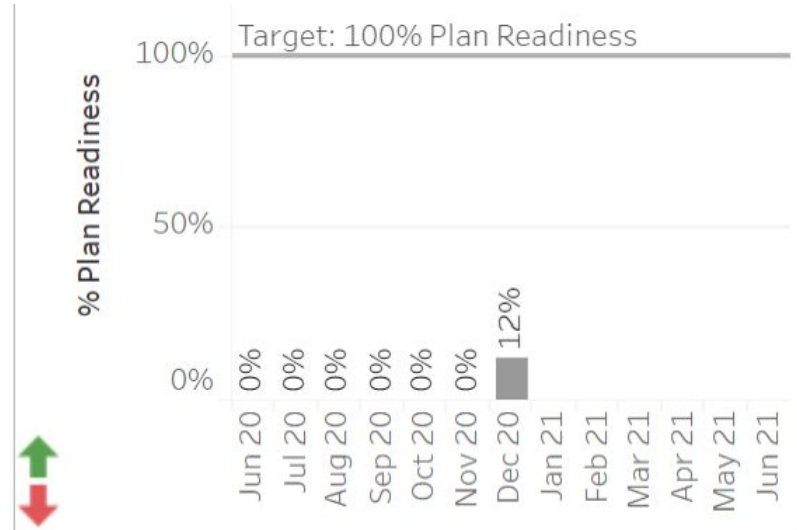
- Engage state agencies to reduce state's lease footprint by 1M sq ft in next 5 years
- The approach includes creating a strategy and developing policies to achieve
 - Optimizing remote work
 - Lease space consolidation
 - Cross departmental use of space
 - Modern workplace models

WIG: Energy & Renewables- Reducing the State's Footprint

To support our state employees with flexible work arrangements and workspaces to meet our changing needs, DPA will develop a master, statewide space plan, advancing our State from 0% plan readiness to 100% plan readiness to begin implementation by June 30, 2021.

Approach:

Design and implement a process to assess statewide space allocation



WIG: Innovation & Efficiency - Contract Management

To ensure the State effectively manages its contracts, contractors, and fulfills its own contractual responsibilities, DPA will design and deliver contract management training, increasing the percent of high risk contracts managed by certified contract managers from 0% to 75%.

Approach:

1. Design contract management training for program staff at agencies and corresponding certification program.
2. Design and deploy a communication and promotion plan to increase participation in the training statewide.



FY 2021-22

- Budget Requests
- Legislative Agenda
- Audit Findings



Select FY 2021-22 Budget Requests

- R-1 Center for Organizational Effectiveness Program Financial Restructure
- R-2 Department of Revenue Printing and Mail Migration to Integrated Document Solutions
- S-CC-01 Capitol Security Upgrades
- S-CR-01 Annex Sewer Venting Scope Modification

The Department's request did not include any fiscal stimulus items.

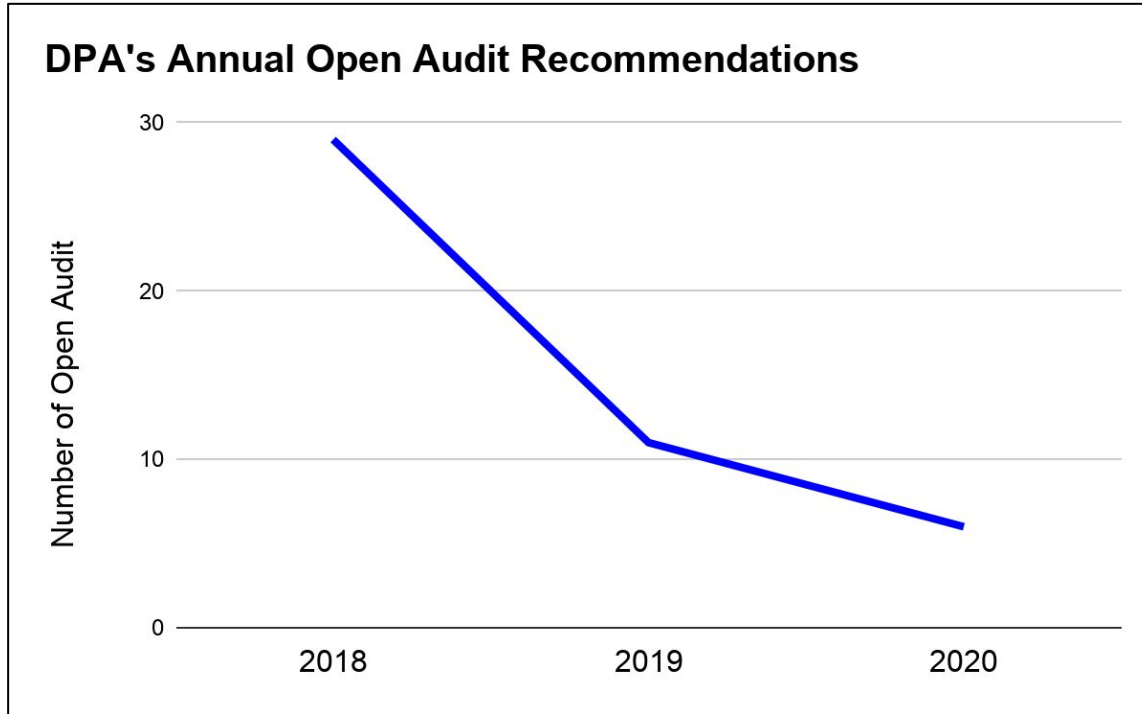


Select FY 2021-22 Legislative Agenda

- Maximizing Use of State Assets
- Utility Line Item Roll Forwards
- Delay of SB19-196 - Colorado Quality of Apprenticeship Training Act



Progress on Audit Findings



Page XIV-1 in State Auditor's Annual Report:
Status of Audit Recommendations Not Fully
Implemented as of June 30, 2020



Progress on Audit Findings

EXHIBIT 22. DEPARTMENT OF PERSONNEL & ADMINISTRATION FINANCIAL AND FINANCIAL-RELATED IT AUDIT RECOMMENDATIONS NOT FULLY IMPLEMENTED AS OF JUNE 30, 2020

AUDIT	REC. NO.	FIRST FISCAL YEAR REC. MADE	CURRENT DEFICIENCY LEVEL	TOPIC AREA	IMPLEMENTATION STATUS	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION DATE	DELAY (MONTHS)	
Statewide Single Audit, Fiscal Year Ended June 30, 2019	2019-032A	2018	Material Weakness	Information System Security Controls	Partially Implemented	6/30/2019	12/31/2020	18	✓
	2019-032B	2018	Material Weakness	Information System Security Controls	Not Implemented	12/31/2019	12/31/2020	12	✓
	2019-032C	2018	Material Weakness	Information System Security Controls	Partially Implemented	3/31/2019	12/31/2020	21	✓
	2019-035	2017	Material Weakness	CORE IT Controls ¹	Partially Implemented	6/30/2018	9/30/2021	39	✓
	2019-030C	2015	Significant Deficiency	Labor Allocation Controls	Not Implemented	12/31/2017	12/31/2022	60	
	2019-034	2018	Not Classified- Not an Internal Control Issue	Payroll Reporting Controls	Not Implemented	2/28/2019	12/31/2020	22	✓

SOURCE: Office of the State Auditor's audit recommendation database.

¹ CORE is the Colorado Operations Resource Engine, the State's accounting system.



Thank you & Questions

