

The following file contains two documents:

- A memo to the Joint Budget Committee dated March 17, 2011, with staff "comebacks" that recommend appropriating the Department of Personnel and Administration's contingency funds as separate line items for the FY 2011-12 Long Bill. This recommendation does not change the total appropriation amounts or the fund sources.
- The Joint Budget Committee staff's FY 2011-12 figure-setting recommendations for the Department of Personnel and Administration.

# M E M O R A N D U M

**TO: Members of the Joint Budget Committee**

**FROM: Caroline Smith, JBC Staff, 303-866-4963**

**SUBJECT: Staff Comebacks, Department of Personnel and Administration**

**DATE: March 17, 2011**

Throughout the FY 2011-12 budget cycle for the Department of Personnel and Administration, staff has discussed with the Committee concerns regarding how the Department has used its contingency funds spending authority to build its base appropriations, and whether the General Assembly intended for the funds to be used in this manner.

For FY 2009-10 and FY 2010-11, the contingency funds were combined with each respective line item's base appropriation. **Staff recommends that the Committee appropriate the contingency funds as separate line items within the Long Bill, so that the Committee can better track the use of the moneys.** The recommendation allows the Department to use contingency funds while also protecting the General Assembly's appropriations authority. Staff's recommendation **does not change the amount of the contingency funds**, the total appropriation amounts for each line item, or the fund sources.

The following table details staff's recommendation and the new line items for the FY 2011-12 Long Bill.

Department of Personnel and Administration FY 2011-12 Contingency Funds Line Items				
Division and Line Item	Total	Cash Funds	Reapprop. Funds	FTE
(2) Division of Human Resources				
(A) Human Resource Services, (2) Training Services				
Training Services	\$143,958	\$52,963	\$90,995	0.0
TRAINING SERVICES CONTINGENCY FUNDS	<u>47,987</u>	<u>17,655</u>	<u>30,332</u>	<u>0.0</u>
<i>Total</i>	<i>\$191,945</i>	<i>\$70,618</i>	<i>\$121,327</i>	<i>0.0</i>
(4) Division of Central Services, (B) Integrated Document Solutions				
(1) Reprographics				
Personal Services	\$990,954	\$46,212	\$944,742	20.6
PERSONAL SERVICES CONTINGENCY FUNDS	<u>49,548</u>	<u>2,311</u>	<u>47,237</u>	<u>0.0</u>
<i>Total</i>	<i>\$1,040,502</i>	<i>\$48,523</i>	<i>\$991,979</i>	<i>20.6</i>

Staff Comeback, Department of Personnel and Administration

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<b>Department of Personnel and Administration FY 2011-12 Contingency Funds Line Items</b>				
<b>Division and Line Item</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
Operating Expenses	\$3,511,352	\$118,129	\$3,393,223	0.0
OPERATING EXPENSES CONTINGENCY FUNDS	<u>175,567</u>	<u>5,906</u>	<u>169,661</u>	<u>0.0</u>
<i>Total</i>	<i>\$3,686,919</i>	<i>\$124,035</i>	<i>\$3,562,884</i>	<i>0.0</i>
 (2) Document Solutions Group				
Personal Services	\$3,235,552	\$40,307	\$3,195,245	50.2
PERSONAL SERVICES CONTINGENCY FUNDS	<u>323,556</u>	<u>4,031</u>	<u>319,525</u>	<u>0.0</u>
<i>Total</i>	<i>\$3,559,108</i>	<i>\$44,338</i>	<i>\$3,514,770</i>	<i>50.2</i>
Operating Expenses	\$551,105	\$0	\$551,105	0.0
OPERATING EXPENSES CONTINGENCY FUNDS	<u>55,111</u>	<u>0</u>	<u>55,111</u>	<u>0.0</u>
<i>Total</i>	<i>\$606,216</i>	<i>\$0</i>	<i>\$606,216</i>	<i>0.0</i>
 (3) Mail Services				
Personal Services	\$1,912,055	\$35,306	\$1,876,749	42.8
PERSONAL SERVICES CONTINGENCY FUNDS	<u>95,602</u>	<u>1,765</u>	<u>93,837</u>	<u>0.0</u>
<i>Total</i>	<i>\$2,007,657</i>	<i>\$37,071</i>	<i>\$1,970,586</i>	<i>42.8</i>
Operating Expenses	\$8,495,957	\$72,000	\$8,423,957	0.0
OPERATING EXPENSES CONTINGENCY FUNDS	<u>424,798</u>	<u>3,600</u>	<u>421,198</u>	<u>0.0</u>
<i>Total</i>	<i>\$8,920,755</i>	<i>\$75,600</i>	<i>\$8,845,155</i>	<i>0.0</i>
 (4) (C) Fleet Management and Motor Pool Services				
Operating Expenses	\$22,315,103	\$0	\$22,315,103	0.0
OPERATING EXPENSES CONTINGENCY FUNDS	<u>3,413,462</u>	<u>0</u>	<u>3,413,462</u>	<u>0.0</u>
<i>Total</i>	<i>\$25,728,565</i>	<i>\$0</i>	<i>\$25,728,565</i>	<i>0.0</i>

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2011-12 STAFF FIGURE SETTING:**

## **DEPARTMENT OF PERSONNEL AND ADMINISTRATION**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Caroline Smith, JBC Staff  
March 3, 2011**

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**JBC WORKING DOCUMENT - All Decisions Subject to Change**  
*Staff Recommendation Does Not Represent Committee Decision*

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION**  
**FY 2011-12 FIGURE SETTING**

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**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Personnel and Administration**

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>						
<b>Executive Director: Kathy Nesbitt</b>						
<p>The Department's Long Bill divisions were reorganized for FY 2009-10 and subsequent years. The FY 2008-09 expenditures are still reflected according to that year's Long Bill line items. The symbol "N/A" indicates a line item that was reorganized for FY 2009-10.</p> <p>Fund source shifts between General Fund and reappropriated funds most likely indicate refinancing with statewide indirect cost recoveries. If a greater amount of statewide indirect cost recoveries (categorized as reappropriated funds) are available a certain year, they can offset a greater amount of General Fund. If a lesser amount of statewide indirect cost recoveries are available the prior or following year, the difference is backfilled with General Fund. This scenario <i>may</i> explain changes in the fund source, but <i>does not</i> account for any differences in the appropriation amount.</p>						

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

This division provides policy direction to and manages the fiscal and budgetary affairs of all divisions within the Department. It also reviews all statewide contracts and promotes statewide affirmative action and equal opportunity programs. The primary source of cash funds and reappropriated funds are indirect cost recoveries and user fees from other State agencies.

**(A) Department Administration**

Personal Services	1,663,416	1,670,740	1,575,811 s/	1,611,731	1,620,184	
FTE	<u>20.2</u>	<u>19.4</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>	NP#5,
General Fund	0	4,486	0	0	0	NP#7
Cash Funds	0	25,497	0	0	0	
Reappropriated Funds	1,663,416	1,640,757	1,575,811 s/	1,611,731	1,620,184	
Health, Life, and Dental	<u>1,781,461</u>	<u>2,022,815</u>	<u>2,041,745</u>	<u>2,107,935</u>	<u>2,122,540</u>	DI-NP#6
General Fund	579,970	433,709	489,159	591,582	597,931	
Cash Funds	0	9,532	245,624	136,189	136,189	
Reappropriated Funds	1,201,491	1,579,574	1,306,962	1,380,164	1,388,420	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Short-term Disability	<u>22,670</u>	<u>29,286</u>	<u>30,464</u>	<u>34,457</u>	<u>34,270</u>	
General Fund	3,661	7,753	5,346	12,548	12,480	
Cash Funds	0	1,785	8,789	2,379	2,366	
Reappropriated Funds	19,009	19,748	16,329	19,530	19,424	
S.B. 04-257 Amortization Equalization Disbursement	<u>329,919</u>	<u>373,212</u>	<u>467,817</u>	<u>545,080</u>	<u>542,142</u>	
General Fund	44,125	107,770	89,590	198,494	197,424	
Cash Funds	0	21,234	99,238	37,641	37,438	
Reappropriated Funds	285,794	244,208	278,989	308,945	307,280	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>143,957</u>	<u>233,289</u>	<u>346,117</u>	<u>438,010</u>	<u>435,648</u>	
General Fund	19,950	66,128	84,397	159,504	158,644	
Cash Funds	0	13,728	77,362	30,247	30,084	
Reappropriated Funds	124,007	153,433	184,358	248,259	246,920	
Salary Survey and Senior Executive Service	<u>804,924</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	362,947	0	0	0	0	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	441,977	0	0	0	0	
Performance-based Pay	<u>325,410</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	141,466	0	0	0	0	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	183,944	0	0	0	0	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Shift Differential	<u>39,126</u>	<u>34,810</u>	<u>30,600</u>	<u>41,710</u>	<u>Pending</u>	
Cash Funds	0	0	0	5	0	
Reappropriated Funds	39,126	34,810	30,600	41,705	0	
Workers' Compensation	<u>205,462</u>	<u>291,834</u>	<u>296,051</u>	<u>263,426</u>	<u>Pending</u>	
General Fund	61,346	72,439	73,486	64,773	0	
Cash Funds	0	8,172	10,753	7,917	0	
Reappropriated Funds	144,116	211,223	211,812	190,736	0	
Operating Expenses	<u>92,440</u>	<u>83,080</u>	<u>78,447</u>	<u>95,512</u>	<u>95,440</u>	DI-NP#9
Cash Funds	0	15,732	0	0	0	
Reappropriated Funds	92,440	67,348	78,447 s/	95,512	95,440	
Legal Services	<u>363,978</u>	<u>215,974</u>	<u>223,651</u>	<u>223,651</u>	<u>Pending</u>	
Hours	<u>4,847</u>	<u>2,865</u>	<u>3,021</u>	<u>3,021</u>	<u>2,563</u>	
General Fund	314,815	170,759	175,331	175,331		
Reappropriated Funds	49,163	45,215	48,320	48,320		
Administrative Law Judge Services	<u>2,414</u>	<u>6,191</u>	<u>5,226</u>	<u>3,325</u>	<u>Pending</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	2,414	6,191	5,226	3,325	0	
Purchase of Services from Computer Center	<u>2,294,353</u>	<u>2,141,646</u>	<u>4,705,444</u>	<u>3,073,737</u>	<u>Pending</u>	
General Fund	947,875	884,787	1,465,212 s/	111,409	0	
Cash Funds	0	0	358,622	343,876	0	
Reappropriated Funds	1,346,478	1,256,859	2,881,610 s/	2,618,452	0	



	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Multiuse Network Payments						
Reappropriated Funds	67,547	67,547	160,722	177,220	<u>Pending</u>	
Management and Administration of OIT	<u>50,097</u>	<u>51,603</u>	<u>90,717</u>	<u>92,618</u>	<u>Pending</u>	
General Fund	14,155	10,681	11,582	11,825	0	
Cash Funds	292	1,445	7,902	8,068	0	
Reappropriated Funds	35,650	39,477	71,233	72,725	0	
Payment to Risk Management and Property Funds	<u>651,845</u>	<u>525,342</u>	<u>159,769</u>	<u>655,206</u>	<u>Pending</u>	
General Fund	194,582	130,400	11,484	143,794	0	
Cash Funds	0	14,711	2,797	45,846	0	
Reappropriated Funds	457,263	380,231	145,488	465,566	0	
Vehicle Lease Payments	<u>53,360</u>	<u>76,451</u>	<u>91,097</u>	<u>115,125</u>	<u>Pending</u>	NP#10
General Fund	2,005	0	0	0	0	
Reappropriated Funds	51,355	76,451	91,097 s/	115,125	0	
Leased Space	<u>1,128,278</u>	<u>1,188,018</u>	<u>1,270,593</u>	<u>1,270,593</u>	<u>1,270,593</u>	
General Fund	372,133	414,295	0	0	0	
Cash Funds	15,474	13,690	17,163	17,163	17,163	
Reappropriated Funds	740,671	760,033	1,253,430	1,253,430	1,253,430	
Capitol Complex Leased Space	<u>809,098</u>	<u>875,107</u>	<u>994,125</u>	<u>884,519</u>	<u>Pending</u>	
General Fund	559,100	573,264	0	39,868	0	
Cash Funds	0	0	0	34,729	0	
Reappropriated Funds	249,998	301,843	994,125	809,922	0	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Communications Services Payments	<u>887</u>	<u>887</u>	<u>832</u>	<u>848</u>	<u>Pending</u>	
General Fund	887	887	832	848	0	
Reappropriated Funds	0	0	0	0	0	
<del>Test Facility Lease<sup>a/</sup></del>						
General Fund	119,842	0	0	0	0	
<del>Employment Security Contract Payment<sup>a/</sup></del>	<u>17,333</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	10,822	0	0	0	0	
Reappropriated Funds	6,511	0	0	0	0	
<del>Employees Emeritus Retirement<sup>a/</sup></del>						
General Fund	7,290	0	0	0	0	
HIPAA - Security Remediation	219,543	151,132	0	0	0	
FTE	<u>1.0</u>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	77,263	33,369	0	0	0	
Reappropriated Funds	142,280	117,763	0	0	0	
Governor's Transition <sup>b/</sup>						
General Fund	0	0	12,650 s/	0	0	
<b>SUBTOTAL (A) Department Administration</b>	11,194,650	10,038,964	12,581,878	11,634,703	6,120,817	
FTE	<u>21.2</u>	<u>19.7</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>	
General Fund	3,834,234	2,910,727	2,419,069	1,509,976	966,479	
Cash Funds	15,766	125,526	828,250	664,060	223,240	
Reappropriated Funds	7,344,650	7,002,711	9,334,559	9,460,667	4,931,098	

a/ These programs were moved to the (B) Statewide Special Purpose section for FY 2009-10.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(B) Statewide Special Purpose<sup>a/</sup></b>						
<b>(1) Colorado State Employees Assistance Program</b>						
Personal Services						
Reappropriated Funds	N/A	605,834	617,440	618,885	609,415	DI-NP#7
FTE	N/A	8.9	10.0	10.0	10.0	
Operating Expenses						
Reappropriated Funds	N/A	52,354	52,844	52,881	52,844	DI-NP#9
Indirect Cost Assessment						
Reappropriated Funds	N/A	107,889	83,237	106,194	106,194	
<b>(2) Office of the State Architect<sup>a/</sup></b>						
FTE	N/A	5.2	5.0	5.0	5.0	NP#5,#7
General Fund	N/A	467,424	446,883	452,554	454,598	NP #9
Cash Funds	N/A	0	0	0	0	
Reappropriated Funds	N/A	0	0	0	0	
<b>(3) Colorado State Archives<sup>a/</sup></b>						
Personal Services						
FTE	N/A	7.5	8.0	8.0	8.0	NP#5, #7
General Fund	N/A	433,336	413,491	408,425	399,359	
Cash Funds	N/A	109,538	100,240	98,346	108,035	
Reappropriated Funds	N/A	19,095	10,631	10,655	10,491	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Operating Expenses	<u>N/A</u>	<u>43,645</u>	<u>53,954</u>	<u>53,984</u>	<u>53,954</u>	DI-NP#9
General Fund	N/A	43,645	0	0	0	
Cash Funds	N/A	0	0	0	0	
Reappropriated Funds	N/A	0	53,954	53,984	53,954	
<b>(4) Other Statewide Special Purpose<sup>a/</sup></b>						
Test Facility Lease						
General Fund	N/A	119,842	119,842	119,842	119,842	
Employment Security Contract Payment	<u>N/A</u>	<u>17,400</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	
General Fund	N/A	10,889	11,264	11,264	11,264	
Reappropriated Funds	N/A	6,511	6,736	6,736	6,736	
Employees Emeritus Retirement						
General Fund	N/A	7,290	2,710	2,710	0	
<b>SUBTOTAL - (B) Colorado Statewide Special Purpose</b>		1,983,647	1,919,272	1,942,476	1,932,732	
FTE	<u>0.0</u>	<u>21.6</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	
General Fund	0	1,082,426	994,190	994,795	985,063	
Cash Funds	0	109,538	100,240	98,346	108,035	
Reappropriated Funds	0	791,683	824,842	849,335	839,634	

a/ These programs were moved to the new "Special Statewide Purpose" section for FY 2009-10. Prior to this, the appropriations were included in other sections of the Long Bill, primarily within the Executive Director's Office.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
<b>TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE</b>	11,194,650	12,022,611	14,501,150	13,577,179	8,053,549	
FTE	<u>21.2</u>	<u>41.3</u>	<u>42.5</u>	<u>42.5</u>	<u>42.5</u>	
General Fund	3,834,234	3,993,153	3,413,259	2,504,771	1,951,542	
Cash Funds	15,766	235,064	928,490	762,406	331,275	
Reappropriated Funds	7,344,650	7,794,394	10,159,401	10,310,002	5,770,732	

## (2) DIVISION OF HUMAN RESOURCES

The Division of Human Resources administers the statewide classified personnel system and employee benefits programs. It also manages the Office of Risk Management, including the procurement of property, casualty, and workers' compensation insurance policies.

### (A) Human Resource Services

#### (1) State Agency Services

Personal Services	1,927,947	1,759,627	1,596,373	1,595,569	1,593,907	DI-NP#5, #7
FTE	<u>27.2</u>	<u>26.2</u>	<u>20.2</u>	<u>20.2</u>	<u>20.2</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	5,074	0	0	0	
Reappropriated Funds	1,927,947	1,754,553	1,596,373 s/	1,595,569	1,593,907	
Operating Expenses	<u>80,707</u>	<u>82,129</u>	<u>78,863</u>	<u>84,145</u>	<u>84,070</u>	DI-NP#9
Cash Funds	0	1,712	0	0	0	
Reappropriated Funds	80,707	80,417	78,863 s/	84,145	84,070	
<b>(2) Training Services</b>	<u>122,724</u>	<u>268,091</u>	<u>268,694</u>	<u>266,945</u>	<u>191,945</u>	DI-NP#7
Cash Funds	55,625	145,969	146,572	145,618	70,618	
Reappropriated Funds	67,099	122,122	122,122	121,327	121,327	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Indirect Cost Assessment Reappropriated Funds	0	0	4,605	9,414	9,414	
<del>(3) Colorado State Employees Assistance Program<sup>a/</sup></del>						
Personal Services						
Reappropriated Funds	531,098	0	0	0	0	
FTE	7.3	0.0	0.0	0.0	0.0	
Operating Expenses						
Reappropriated Funds	67,809	0	0	0	0	
Indirect Cost Assessment						
Reappropriated Funds	162,295	0	0	0	0	
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (A) Human Resource Services Section</b>	2,892,580	2,109,847	1,948,535	1,956,073	1,879,336	
FTE	<u>34.5</u>	<u>26.2</u>	<u>20.2</u>	<u>20.2</u>	<u>20.2</u>	
General Fund	0	0	0	0	0	
Cash Funds	55,625	152,755	146,572	145,618	70,618	
Reappropriated Funds	2,836,955	1,957,092	1,801,963	1,810,455	1,808,718	

a/ The Colorado State Employees Assistance Program was moved to the (B) Statewide Special Purpose division as a part of the Department's FY 2009-10 Long Bill reorganization.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>(B) Employee Benefits Services</b>						
Personal Services	985,925	992,401	770,579	780,181	768,333	DI-NP#7
FTE	<u>11.1</u>	<u>9.2</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	948,899	770,579	780,181	768,333	
Reappropriated Funds	985,925	43,502	0	0	0	
Operating Expenses	<u>52,454</u>	<u>103,260</u>	<u>61,324</u>	<u>58,361</u>	<u>58,324</u>	DI-NP#9
General Fund	0	0	0	0	0	
Cash Funds	52,454	103,260	61,324	58,361	58,324	
Reappropriated Funds	0	0	0	0	0	
Utilization Review	<u>29,320</u>	<u>31,773</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	
Cash Funds	29,320	31,773	40,000	40,000	40,000	
Reappropriated Funds	0	0	0	0	0	
Deferred Compensation Plans						
Reappropriated Funds	84,500	0	0	0	0	
Deferred Compensation Administration (TPA) <sup>a/</sup>						
Reappropriated Funds	692,205	0	0	0	0	
Defined Contribution Plans <sup>a/</sup>						
Reappropriated Funds	2,250	0	0	0	0	
H.B. 07-1335 Supplemental State Contribution Fund						
Cash Funds	1,541,666	1,599,114	1,469,800	1,469,800	1,335,924	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Indirect Cost Assessment	<u>210,609</u>	<u>300,459</u>	<u>250,261</u>	<u>209,719</u>	<u>209,719</u>	
Cash Funds	0	0	250,261	209,719	209,719	
Reappropriated Funds	210,609	300,459	0	0	0	
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (B) Employee Benefits Services</b>	3,598,929	3,027,007	2,591,964	2,558,061	2,412,300	
FTE	<u>11.1</u>	<u>9.2</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	
General Fund	0	0	0	0	0	
Cash Funds	1,623,440	2,683,046	2,591,964	2,558,061	2,412,300	
Reappropriated Funds	1,975,489	343,961	0	0	0	

a/ Senate Bill 09-066 transferred the administration of the State's defined contribution (DC) plan and the State's optional deferred compensation (457) plan to the Public Employees' Retirement Association (PERA), which also administers the State's defined benefit plan.

**(2) DIVISION OF HUMAN RESOURCES**

**(C) Risk Management Services**

Personal Services

Reappropriated Funds	566,478	573,721	650,085	650,037	640,149	DI-NP#7
FTE	0.0	6.8	9.0	9.0	8.5	

Operating Expenses

Reappropriated Funds	52,222	55,014	57,121	57,154	57,121	DI-NP#9
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Legal Services

Reappropriated Funds	2,325,709	2,209,469	2,337,568	2,440,722	0	
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	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2011-12</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Approp</b>	<b>Request</b>	<b>Recomm.</b>	<b>Requests</b>
Liability Premiums	<u>6,435,247</u>	<u>4,705,904</u>	<u>7,312,375</u>	<u>5,067,594</u>	<u>Pending</u>	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	6,435,247	4,705,904	7,312,375	5,067,594	0	
Property Premiums	<u>7,997,934</u>	<u>8,121,258</u>	<u>9,189,910</u>	<u>8,925,709</u>	<u>Pending</u>	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	7,997,934	8,121,258	9,189,910	8,925,709	0	
Workers' Compensation Premiums	<u>36,202,854</u>	<u>40,945,315</u>	<u>36,660,150</u>	<u>38,077,962</u>	<u>Pending</u>	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	36,202,854	40,945,315	36,660,150	38,077,962	0	
Indirect Cost Assessment						
Reappropriated Funds	205,237	201,592	183,888	178,656	178,656	
<b>(2) DIVISION OF HUMAN RESOURCES</b>						
<b>Subtotal - (C) Risk Management Services</b>	53,785,681	56,812,273	56,391,097	55,397,834	875,926	
FTE	<u>0.0</u>	<u>6.8</u>	<u>9.0</u>	<u>9.0</u>	<u>8.5</u>	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	53,785,681	56,812,273	56,391,097	55,397,834	875,926	
<b>TOTAL - (2) DIVISION OF HUMAN RESOURCES</b>	60,277,190	61,949,127	60,931,596	59,911,968	5,167,562	
FTE	<u>45.6</u>	<u>42.2</u>	<u>39.2</u>	<u>39.2</u>	<u>38.7</u>	
General Fund	0	0	0	0	0	
Cash Funds	1,679,065	2,835,801	2,738,536	2,703,679	2,482,918	
Reappropriated Funds	58,598,125	59,113,326	58,193,060	57,208,289	2,684,644	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES**

**(A) Personnel Board**

This division provides support for the State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt by rule a uniform grievance procedure to be used by all principal departments and agencies for classified employees in the State personnel system.

Personal Services	540,432	458,725	473,007	461,035	463,442	DI-NP#5, #7
FTE	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	83,487	457,955	463,091	459,864	462,289	
Cash Funds	1,196	770	9,916	1,171	1,153	
Reappropriated Funds	455,749	0	0	0		
Operating Expenses	<u>22,199</u>	<u>15,707</u>	<u>19,478</u>	<u>19,496</u>	<u>19,478</u>	DI-NP#9
General Fund	0	14,243	0	0	0	
Cash Funds	0	1,464	0	0	0	
Reappropriated Funds	22,199	0	19,478	19,496	19,478	
Legal Services						
General Fund	0	24,875	24,875	24,875	Pending	

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES**

<b>Subtotal - (A) Personnel Board</b>	562,631	499,307	517,360	505,406	482,920	
FTE	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	
General Fund	83,487	497,073	487,966	484,739	462,289	
Cash Funds	1,196	2,234	9,916	1,171	1,153	
Reappropriated Funds	477,948	0	19,478	19,496	19,478	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(B) Independent Ethics Commission<sup>a/</sup></b>						
Personal Services						
General Fund	102,932	139,258	0	0	0	
FTE	1.8	1.6	0.0	0.0	0.0	
Operating Expenses						
General Fund	21,723	11,032	0	0	0	
Legal Services						
General Fund	107,661	60,506	0	0	0	
<b>(3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>						
<b>Subtotal - (B) Independent Ethics Commission</b>						
General Fund	232,316	210,796	0	0	0	
FTE	1.8	1.6	0.0	0.0	0.0	
<b>TOTAL - (3) CONSTITUTIONALLY INDEPENDENT ENTITIES</b>						
FTE	4.8	4.8	4.8	4.8	4.8	
General Fund	315,803	707,869	487,966	484,739	462,289	
Cash Funds	1,196	2,234	9,916	1,171	1,153	
Reappropriated Funds	477,948	0	19,478	19,496	19,478	

<sup>a/</sup> House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department beginning in FY 2010-11.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
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**(4) CENTRAL SERVICES**

This division provides statewide support services, such as mail services, travel management, printing, copying, document reproduction, and data entry. It also administers the statewide fleet program, which purchases and manages vehicles for state agencies. The Facilities Maintenance section manages the buildings and grounds of the Capitol Complex, the Grand Junction State Services Building, and Camp George West.

**(A) Administration**

Personal Services

Reappropriated Funds	682,312	722,102	732,508	734,551	723,273	DI-NP#7
FTE	8.7	8.6	10.0	10.0	10.0	

Operating Expenses

Reappropriated Funds	67,400	41,033	77,427	77,464	77,427	DI-NP#9
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Indirect Cost Assessment

Reappropriated Funds	52,406	95,920	139,025	115,630	115,630	
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**(4) CENTRAL SERVICES**

<b>Subtotal - (A) Administration</b>	802,118	859,055	948,960	927,645	916,330	
FTE	<u>8.7</u>	<u>8.6</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	802,118	859,055	948,960	927,645	916,330	

**(B) Integrated Document Solutions**

(1) Reprographic Services

Personal Services	979,751	940,045	1,027,292	1,167,260	1,040,502	DI-NP#7
FTE	<u>19.5</u>	<u>19.3</u>	<u>20.6</u>	<u>20.6</u>	<u>20.6</u>	
Cash Funds	0	0	24,261 s/	55,454	48,523	
Reappropriated Funds	979,751	940,045	1,003,031 s/	1,111,806	991,979	

	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2011-12</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Approp</b>	<b>Request</b>	<b>Recomm.</b>	<b>Requests</b>
Operating Expenses	<u>2,907,820</u>	<u>3,265,776</u>	<u>3,618,903</u>	<u>4,066,474</u>	<u>3,686,919</u>	
Cash Funds	0	0	62,017	141,754	124,035	DI-NP#1, #9
Reappropriated Funds	2,907,820	3,265,776	3,556,886	3,924,720	3,562,884	
Indirect Cost Assessment						
Reappropriated Funds	169,705	141,442	214,955	158,482	158,482	
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Solutions (1)</b>						
<b>Reprographics Services</b>	4,057,276	4,347,263	4,861,150	5,392,216	4,885,903	
FTE	<u>19.5</u>	<u>19.3</u>	<u>20.6</u>	<u>20.6</u>	<u>20.6</u>	
Cash Funds	0	0	86,278	197,208	172,558	
Reappropriated Funds	4,057,276	4,347,263	4,774,872	5,195,008	4,713,345	
<b>(2) Document Solutions Group</b>						
Personal Services	2,771,770	2,573,163	3,428,074	4,006,554	3,559,108	DI-NP#7
FTE	<u>58.7</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	
Cash Funds	139,406	56,703	42,899	42,969	44,338	
Reappropriated Funds	2,632,364	2,516,460	3,385,175	3,963,585	3,514,770	
Operating Expenses						
Reappropriated Funds	419,425	482,217	578,660	578,846	606,216	DI-NP#9
Utilities						
Reappropriated Funds	43,912	44,139	69,000	69,000	69,000	
Indirect Cost Assessment						
Reappropriated Funds	136,708	165,530	261,123	211,542	211,542	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Solutions (2)</b>						
<b>Document Solutions Group</b>	3,371,815	3,265,049	4,336,857	4,865,942	4,445,866	
FTE	<u>58.7</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	<u>50.2</u>	
Cash Funds	139,406	56,703	42,899	42,969	44,338	
Reappropriated Funds	3,232,409	3,208,346	4,293,958	4,822,973	4,401,528	
<b>(3) Mail Services</b>						
Personal Services	1,746,913	1,912,039	1,991,508	2,478,139	2,007,657	DI-NP#7
FTE	<u>44.5</u>	<u>43.7</u>	<u>42.8</u>	<u>42.8</u>	<u>42.8</u>	
Cash Funds	0	0	18,818	43,013	37,071	
Reappropriated Funds	1,746,913	1,912,039	1,972,690	2,435,126	1,970,586	
Operating Expenses	<u>8,118,292</u>	<u>7,845,978</u>	<u>8,882,955</u>	0	<u>9,501,733</u>	DI-NP #9
Cash Funds	0	0	37,800	86,400	75,600	
Reappropriated Funds	8,118,292	7,845,978	8,845,155	9,415,333	8,845,155	
Mail Equipment Purchase	<u>0</u>	<u>120,296</u>	<u>333,642</u>	<u>333,642</u>	<u>333,642</u>	
General Fund	0	50,206	156,018	156,018	156,018	
Reappropriated Funds	0	70,090	177,624	177,624	177,624	
Indirect Cost Assessment						
Reappropriated Funds	237,215	158,748	252,286	226,720	226,720	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Solutions (3) Mail Services</b>						
	10,102,420	10,037,061	11,460,391	12,540,234	11,488,774	
FTE	<u>44.5</u>	<u>43.7</u>	<u>42.8</u>	<u>42.8</u>	<u>42.8</u>	
General Fund	0	50,206	156,018	156,018	156,018	
Cash Funds	0	0	56,618	129,413	112,671	
Reappropriated Funds	10,102,420	9,986,855	11,247,755	12,254,803	11,220,085	

<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (B) Integrated Document Solutions</b>						
	17,531,511	17,649,373	20,658,398	22,798,392	20,820,543	
FTE	<u>122.7</u>	<u>113.2</u>	<u>113.6</u>	<u>113.6</u>	<u>113.6</u>	
General Fund	0	50,206	156,018	156,018	156,018	
Cash Funds	139,406	56,703	185,795	369,590	329,567	
Reappropriated Funds	17,392,105	17,542,464	20,316,585	22,272,784	20,334,958	

**(4) CENTRAL SERVICES**

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

Personal Services

Reappropriated Funds	829,514	809,839	728,512	708,285	697,050	DI-NP#7
FTE	14.0	13.3	14.0	14.0	14.0	

Operating Expenses

Reappropriated Funds	19,731,929	18,492,680	24,131,346	24,131,398	25,728,564	DI-NP#9
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Vehicle Replacement Lease, Purchase

Reappropriated Funds	11,880,388	12,188,713	15,712,799	16,602,387	Pending	
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	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Indirect Cost Assessment						
Reappropriated Funds	302,858	433,688	641,731	614,667	614,667	
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (C) Fleet Management and Motor Pool</b>						
<b>Services</b>	32,744,689	31,924,920	41,214,388	42,056,737	27,040,281	
FTE	14.0	13.3	14.0	14.0	14.0	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	32,744,689	31,924,920	41,214,388	42,056,737	27,040,281	
<b>(4) CENTRAL SERVICES</b>						
<b>(D) Facilities Maintenance<sup>a/</sup></b>						
<b>(1) Capitol Complex Facilities</b>						
Personal Services						
Reappropriated Funds	2,667,071	2,667,942	N/A	N/A	N/A	
FTE	50.8	55.2	N/A	N/A	N/A	
Operating Expenses						
Reappropriated Funds	1,720,890	1,842,994	N/A	N/A	N/A	
Capitol Complex Repairs						
Reappropriated Funds	56,509	56,519	N/A	N/A	N/A	
Capitol Complex Security						
Reappropriated Funds	304,163	323,000	N/A	N/A	N/A	
Utilities						
Reappropriated Funds	3,305,846	3,354,250	N/A	N/A	N/A	



	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Indirect Cost Assessment						
Reappropriated Funds	273,929	416,060	N/A	N/A	N/A	
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance (1) Capitol</b>						
<b>Complex Facilities</b>	8,328,408	8,660,765	N/A	N/A	N/A	
FTE	<u>50.8</u>	<u>55.2</u>	N/A	N/A	N/A	
Cash Funds	0	0	N/A	N/A	N/A	
Reappropriated Funds	8,328,408	8,660,765	N/A	N/A	N/A	

a/ The Central Services, (D) Facilities Maintenance subsections (Capitol Complex Facilities, Camp George West, and Grand Junction) were consolidated for the FY 2010-11 Long Bill appropriation. The consolidated appropriation is reflected in the section following (3) Camp George West.

**(2) Grand Junction State Services Building**

Personal Services

Reappropriated Funds	47,002	46,491	N/A	N/A	N/A	
FTE	1.0	1.0	N/A	N/A	N/A	

Operating Expenses

Reappropriated Funds	76,001	76,121	N/A	N/A	N/A	
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Utilities

Reappropriated Funds	81,181	83,061	N/A	N/A	N/A	
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	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance (2) Grand Junction State Services Building<sup>a/</sup></b>						
Reappropriated Funds	204,184	205,673	N/A	N/A	N/A	
FTE	1.0	1.0	N/A	N/A	N/A	

a/ The Central Services, (D) Facilities Maintenance subsections (Capitol Complex Facilities, Camp George West, and Grand Junction) were consolidated for the FY 2010-11 Long Bill appropriation. The consolidated appropriation is reflected in the section following (3) Camp George West.

**(3) Camp George West**

Personal Services

Reappropriated Funds	66,232	69,282	N/A	N/A	N/A	
FTE	1.4	1.1	N/A	N/A	N/A	

Operating Expenses

Reappropriated Funds	121,049	146,173	N/A	N/A	N/A	
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Utilities

Reappropriated Funds	392,730	406,361	N/A	N/A	N/A	
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**(4) CENTRAL SERVICES**

**Subtotal - (D) Facilities Maintenance (3) Camp George West**

Reappropriated Funds	580,011	621,816	N/A	N/A	N/A	
FTE	1.4	1.1	N/A	N/A	N/A	

a/ The Central Services, (D) Facilities Maintenance subsections (Capitol Complex Facilities, Camp George West, and Grand Junction) were consolidated for the FY 2010-11 Long Bill appropriation. The consolidated appropriation is reflected in the section following (3) Camp George West.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
<b>(4) CENTRAL SERVICES</b>						
<b>Subtotal - (D) Facilities Maintenance</b>	9,112,603	9,488,254	N/A	N/A	N/A	
FTE	<u>53.2</u>	<u>57.3</u>	N/A	N/A	N/A	
Cash Funds	0	0	N/A	N/A	N/A	
Reappropriated Funds	9,112,603	9,488,254	N/A	N/A	N/A	

**(4) CENTRAL SERVICES**

**(D) Facilities Maintenance**

(1) Capitol Complex Facilities

Personal Services

    Reappropriated Funds

2,808,102

2,820,006

2,776,896

DI-NP#7

    FTE

55.2

55.2

55.2

Operating Expenses

1,979,278

1,884,239

1,884,034

DI-NP#9

    Cash Funds

95,244 s/

0

0

    Reappropriated Funds

1,884,034

1,884,239

1,884,034

Capitol Complex Repairs

    Reappropriated Funds

56,520

56,520

56,520

Capitol Complex Security

    Reappropriated Funds

353,365

353,365

353,365

Utilities

    Reappropriated Funds

4,114,706

3,930,718

3,930,718

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
Indirect Cost Assessment Reappropriated Funds			525,058	457,027	457,027	
<b>(4) CENTRAL SERVICES</b>						
<b>(D) Facilities Maintenance (1) Capitol Complex Facilities</b>			9,837,029	9,501,875	9,458,560	
FTE			<u>55.2</u>	<u>55.2</u>	<u>55.2</u>	
Cash Funds			95,244	0	0	
Reappropriated Funds			9,741,785	9,501,875	9,458,560	
<b>TOTAL - (4) CENTRAL SERVICES</b>						
FTE	<u>198.6</u>	<u>192.4</u>	<u>192.8</u>	<u>192.8</u>	<u>192.8</u>	
General Fund	0	50,206	156,018	156,018	156,018	
Cash Funds	139,406	56,703	281,039	369,590	329,567	
Reappropriated Funds	60,051,515	59,814,693	72,221,718	74,759,041	57,750,129	
<b><del>(5) FINANCE AND PROCUREMENT</del><sup>a/</sup></b>						
<b><del>(A) State Controller's Office and Procurement Services</del></b>						
Personal Services	2,883,675	N/A	N/A	N/A	N/A	N/A
FTE	<u>36.5</u>	N/A	N/A	N/A	N/A	N/A
General Fund	599,191	N/A	N/A	N/A	N/A	N/A
Cash Funds	1,977,243	N/A	N/A	N/A	N/A	N/A
Reappropriated Funds	307,241	N/A	N/A	N/A	N/A	N/A

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Operating Expenses	<u>135,018</u>	N/A	N/A	N/A	N/A	
General Fund	128,028	N/A	N/A	N/A	N/A	
Cash Funds	0	N/A	N/A	N/A	N/A	
Reappropriated Funds	6,990	N/A	N/A	N/A	N/A	
<b>(5) FINANCE AND PROCUREMENT</b>						
<b>Procurement Services</b>	3,018,693	0	0	0	N/A	
FTE	<u>36.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>N/A</u>	
General Fund	727,219	0	0	0	N/A	
Cash Funds	1,977,243	0	0	0	N/A	
Reappropriated Funds	314,231	0	0	0	N/A	

**(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER**

The State Controller's office manages the financial affairs for all State departments. These responsibilities include: (1) statewide financial reporting; (2) providing policy and procedural guidance; (3) managing State contracts; and (4) developing the statewide indirect cost allocation plan. The Division receives cash funds from the Supplier Database Cash Fund (Section 24-102-202.5, C.R.S.) and rebates associated with the Procurement Card Program.

**(A) Office of the State Controller**

Personal Services <sup>a/</sup>	N/A	2,128,507	2,404,528	2,798,017	2,650,250	DI#1, SW- DI#2, DI- NP#5, #7, #9
FTE	N/A	<u>25.0</u>	<u>35.0</u>	<u>37.2</u>	<u>37.0</u>	
General Fund	N/A	395,733	1,046,912 s/	1,373,257	1,157,792	
Cash Funds	N/A	1,375,483	646,337 s/	170,577	222,555	
Reappropriated Funds	N/A	357,291	711,279 s/	1,254,183	1,269,903	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
Operating Expenses <sup>a/</sup>	N/A	<u>80,438</u>	<u>89,999</u>	<u>193,000</u>	<u>227,068</u>	SW-DI#2,
General Fund	N/A	0	0 s/	99,264	46,629	DI-NP#9
Cash Funds	N/A	80,438	0	0	75,483	
Reappropriated Funds		0	89,999 s/	93,736	104,956	
<b>SUBTOTAL - (A) Office of the State Controller</b>		2,208,945	2,494,527	2,991,017	2,877,318	
FTE		<u>25.0</u>	<u>35.0</u>	<u>37.2</u>	<u>37.0</u>	
General Fund		395,733	1,046,912	1,472,521	1,204,421	
Cash Funds		1,455,921	646,337	170,577	298,038	
Reappropriated Funds		357,291	801,278	1,347,919	1,374,859	

<sup>a/</sup> Prior to FY 2009-10, this program was a part of the Division of Finance and Procurement, State Controller's Office and Procurement Services.

**(B) State Purchasing Office<sup>a/</sup>**

Manages statewide procurement with the following duties: (1) promulgation of the State's procurement rules; (2) administers the vendor BIDS system; (3) operates the electronic vendor notification system; (4) educates departments on procurement policies; (5) procures and administers statewide price agreements; (6) conducts procurement services for non-delegated agencies; and (6) serves as the appeals authority for bids protests.

Personal Services

Cash Funds	N/A	858,496	787,800 s/	800,998	788,727	DI-NP#7
FTE	N/A	9.0	13.0	13.0	12.5	

Operating Expenses

Cash Funds	N/A	71,650	275,680 s/	27,049	27,000	DI-NP#9
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	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>SUBTOTAL - (B) State Purchasing Office</b>						
Cash Funds		930,146	1,063,480	828,047	815,727	
FTE		9.0	13.0	13.0	12.5	

<sup>a/</sup> Prior to FY 2009-10, this program was located in the Division of Finance and Procurement, State Controller's Office. It was separated as a part of the Department's FY 2009-10 Long Bill reorganization.

**(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER**

**(C) Supplier Database**

Primarily supports business operational and database needs of the State Purchasing Office.

Personal Services

Cash Funds	217,323	251,601	240,573	237,791	234,163	DI NP#7
FTE	2.4	1.7	4.0	4.0	4.0	

Operating Expenses

Cash Funds	42,114	44,121	1,900,510 s/	1,150,525	1,150,510	DI-NP#9
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**(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER**

**Subtotal - (C) Supplier Database**

Cash Funds	259,437	295,722	2,141,083	1,388,316	1,384,673	
FTE	2.4	1.7	4.0	4.0	4.0	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>(D) Collections Services</b>						
Serves as a central accounts receivable function and collects debts owed to State agencies; departments and institutions after initial collections efforts have been unsuccessful.						
Personal Services	894,142	888,785	916,561	918,857	904,777	DI-NP#7
FTE	<u>19.0</u>	<u>18.6</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	
Cash Funds	596,612	598,390	916,561	918,857	904,777	
Reappropriated Funds	297,530	290,395	0	0	0	
Operating Expenses						
Cash Funds	333,398	253,545	349,085	349,159	349,085	DI-NP#9
Collection of Debts Due to the State						
Cash Funds	0	0	20,702	20,702	20,702	
Private Collection Agency Fees	<u>671,148</u>	<u>790,457</u>	<u>1,105,136</u>	<u>1,105,136</u>	<u>1,105,136</u>	
Cash Funds	378,111	153,833	1,105,136	1,105,136	1,105,136	
Reappropriated Funds	293,037	636,624	0	0	0	
Indirect Cost Assessment	<u>260,606</u>	<u>164,551</u>	<u>342,534</u>	<u>270,124</u>	<u>270,124</u>	
Cash Funds	0	0	342,534	270,124	270,124	
Reappropriated Funds	260,606	164,551	0	0	0	



	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
<b>(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
<b>Subtotal - (D) Collections Services</b>	2,159,294	2,097,338	2,734,018	2,663,978	2,649,824	
FTE	<u>19.0</u>	<u>18.6</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	
Cash Funds	1,308,121	1,005,768	2,734,018	2,663,978	2,649,824	
Reappropriated Funds	851,173	1,091,570	0	0	0	
<b>(5) FINANCE AND PROCUREMENT<sup>a/</sup></b>						
<b>(D) Real Estate Services Program</b>	511,731	0	0	0	0	
FTE	<u>5.9</u>	N/A	N/A	N/A	N/A	
General Fund	511,731	N/A	N/A	N/A	N/A	
Cash Funds	0	N/A	N/A	N/A	N/A	
Reappropriated Funds	0	N/A	N/A	N/A	N/A	
<b>(5) FINANCE AND PROCUREMENT</b>						
<b>Subtotal - (D) Real Estate Services Program</b>	511,731	0	0	0	0	
FTE	<u>5.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>N/A</u>	
General Fund	511,731	0	0	0	N/A	
Cash Funds	0	0	0	0	N/A	
Reappropriated Funds	0	0	0	0	N/A	
<b>TOTAL - (5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER</b>						
	5,689,718	5,532,151	8,433,108	7,871,358	7,727,542	
FTE	<u>63.8</u>	<u>54.3</u>	<u>72.0</u>	<u>74.2</u>	<u>73.5</u>	
General Fund	1,238,950	395,733	1,046,912	1,472,521	1,204,421	
Cash Funds	3,285,364	3,687,557	6,584,918	5,050,918	5,148,262	
Reappropriated Funds	1,165,404	1,448,861	801,278	1,347,919	1,374,859	

a/ This division was incorporated as part of the Division of Accounts and Control - Controller as part of the FY 2009-10 Long Bill reorganization.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(6) INFORMATION AND ARCHIVAL SERVICES <sup>a/</sup></b>						
Personal Services	508,124	N/A	N/A	N/A	0	
FTE	<u>8.5</u>	N/A	N/A	N/A	<u>0.0</u>	
General Fund	403,412	N/A	N/A	N/A	0	
Cash Funds	93,811	N/A	N/A	N/A	0	
Reappropriated Funds	10,901	N/A	N/A	N/A	0	
Operating Expenses	<u>56,794</u>	N/A	N/A	N/A	<u>0</u>	
General Fund	56,794	N/A	N/A	N/A	0	
Cash Funds	0	N/A	N/A	N/A	0	
Reappropriated Funds	0	N/A	N/A	N/A	0	
<b>TOTAL -- (6) INFORMATION AND ARCHIVAL SERVICES <sup>a/</sup></b>						
	564,918				0	
FTE	<u>8.5</u>				<u>0.0</u>	
General Fund	460,206				0	
Cash Funds	93,811				0	
Reappropriated Funds	10,901				0	

<sup>a/</sup> Please note: Beginning with FY 2009-10, this program moved to the Executive Director's Office.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.	Change Requests
<b>(6) ADMINISTRATIVE COURTS</b>						
This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human services, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation.						
Personal Services	3,113,366	2,990,620	3,244,001	3,247,925	3,198,184	DI-NP#7
FTE	<u>40.0</u>	<u>36.9</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	
General Fund	72,083	0	0	0	0	
Cash Funds	28,546	0	27,261	48,186	48,532	
Reappropriated Funds	3,012,737	2,990,620	3,216,740	3,199,739	3,149,652	
Operating Expenses	<u>174,132</u>	<u>139,158</u>	<u>134,597</u>	<u>392,946</u>	<u>134,597</u>	DI-NP#9,
General Fund	21,445	0	0	0	0	#11
Cash Funds	0	0	0	258,200	0	
Reappropriated Funds	152,687	139,158	134,597	134,746	134,597	
Indirect Cost Assessment						
Reappropriated Funds	239,271	326,407	258,320	185,047	185,047	
<b>TOTAL - (6) ADMINISTRATIVE COURTS</b>	<b>3,526,769</b>	<b>3,456,185</b>	<b>3,636,918</b>	<b>3,825,918</b>	<b>3,517,828</b>	
FTE	<u>40.0</u>	<u>36.9</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	
General Fund	93,528	0	0	0	0	
Cash Funds	28,546	0	27,261	306,386	48,532	
Reappropriated Funds	3,404,695	3,456,185	3,609,657	3,519,532	3,469,296	

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	Change
	Actual	Actual	Approp	Request	Recomm.	Requests
<b>TOTAL - DEPARTMENT OF PERSONNEL AND ADMINISTRATION</b>	144,396,194	143,591,779	160,678,907	160,976,478	83,185,115	
FTE	<u>382.5</u>	<u>371.9</u>	<u>391.3</u>	<u>393.5</u>	<u>392.3</u>	
General Fund	7,437,159	5,146,961	5,104,155	4,618,049	3,774,270	
Cash Funds	5,243,154	6,817,359	10,570,160	9,194,150	8,341,707	
Reappropriated Funds	131,715,881	131,627,459	145,004,592	147,164,279	71,069,138	
Federal Funds	0	0	0	0	0	

**FY 2011-12 Department of Personnel and Administration Figure-Setting**  
**JBC WORKING DOCUMENT - ALL DECISIONS SUBJECT TO CHANGE**  
**Staff Recommendation Does Not Reflect Committee Decision**

<i>Summary of Significant Staff Recommendations in this Packet</i>					
<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<i>Major Recommendations, FY 2011-12</i>					
Vehicle Operating Expenses line item	\$1,597,218	\$0	\$0	\$1,597,218	0.0
Annualize HLD, AED, SAED, STD	\$237,083	\$286,613	(\$224,936)	\$175,406	0.0
Annualize Division of Central Services' contingency spending authority	192,507	0	6,966	185,541	0.0
Annualize cash funds to reflect the full-year impact of Central Services' contract with Denver	100,093	0	100,093	0	0.0
3.0 percent State vendor withholding implementation (TIPRA of 2005)	93,300	93,300	0	0	0.0
Annualize 2.5 percent PERA contribution reduction <sup>1/</sup>	90,237	(103,870)	37,268	156,839	0.0
Debt issuance and post-issuance compliance	75,448	75,448	0	0	1.0
Annualize H.B. 10-1176	73,731	73,731	0	0	1.2
Restore 1.0 percent General Fund reduction for FY 2010-11	60,812	60,812	0	0	0.0
Annualize American Recovery and Reinvestment Act (ARRA) administrative cost allocation spending authority	27,272	18,522	8,750	0	0.0
Dept of Agriculture's request for mail services related to brand board assessments	5,713	0	0	5,713	0.0
Annualize H.B. 10-1181	0	0	(498,378)	498,378	0.0
Offset General Fund with Supplier Database Cash Fund balance	0	(75,483)	75,483	0	0.0
Refinance the Office of Administrative Courts to reflect increased cash funds revenue	0	0	21,937	(21,937)	0.0
Reduce excess FTE	0	0	0	0	(1.0)
Eliminate one-time funds for e-procurement system	(750,000)	0	(750,000)	0	0.0
Reduce indirect cost recoveries as per statewide common policy	(413,801)	0	(112,952)	(300,849)	0.0
1.5 percent vacancy savings	(384,276)	(40,747)	(47,536)	(295,993)	0.0
Eliminate funds for one-time reimbursement for federal funds portion of P-card transfer	(250,000)	0	(250,000)	0	0.0

**Summary of Significant Staff Recommendations in this Packet**

<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
Reduce tobacco settlement dollars available for Supplemental Contribution program (according to Tier 2 distribution formula)	(133,876)	0	(133,876)	0	0.0
Eliminate one-time funds to reimburse the federal government for its portion of moneys that were transferred to the General Fund	(95,244)	0	(95,244)	0	0.0
Reduce contingency spending authority for the Training Services line item	(75,000)	0	(75,000)	0	0.0
1.0 percent General Fund reduction for FY 2011-12	(63,578)	(63,578)	0	0	0.0
Eliminate appropriation for S.B. 10-207 to reflect the actual amount of available funds	(20,900)	0	(20,900)	0	(0.2)
Eliminate one-time funds for Governor's Transition line item	(12,650)	(12,650)	0	0	0.0
Annualize S.B. 10-203	(4,500)	0	0	(4,500)	0.0
Annualize H.B. 10-1228	(3,000)	0	(3,000)	0	0.0
Annualize S.B. 10-143	<u>(1,000)</u>	<u>0</u>	<u>0</u>	<u>(1,000)</u>	<u>0.0</u>
<b>Total Major Recommendations, FY 2011-12</b>	<b>\$345,589</b>	<b>\$312,098</b>	<b>(\$1,961,325)</b>	<b>\$1,994,816</b>	<b>1.0</b>

The annualization of the 2.5 percent PERA contribution reduction results in an overall funds increase because more moneys were decreased for FY 2010-11 than for FY 2011-12.

**FY 2010-11 Cash Fund Transfer  
Supplier Database Cash Fund (\$75,483)**

**Department Request**

The Department requests to transfer \$75,483 from the Supplier Database Cash Fund to the General Fund for FY 2010-11.

**Staff Recommendation**

**Staff does not recommend the request.** Staff recommends: (1) that the moneys remain in the Fund and carry forward to FY 2011-12 as a part of the fund balance; and (2) **to apply these dollars to offset General Fund in the Office of the State Controller, Personal Services line item.**

**Staff Analysis**

- Pursuant to Section 24-102-202.5 (2) (a), C.R.S., the Department of Personnel and Administration charges a registration fee to vendors that want to be included in a centralized database for potential State contracts. The annual fee amount was \$30.00 between January, 2000, through June, 2008, when the fee increased to its current amount of \$40.00.
- The fee revenue is deposited into the Supplier Database Cash Fund. The moneys are to be used to develop a centralized database that includes a listing of all businesses that are interested in providing goods and services to the State.
- The Office of the State Controller provides support functions for the supplier database, but does not receive a cash funds appropriation to offset these expenses.** Staff's understanding is that for prior years the fund balance may not have been sufficient to support all of the database's indirect costs.

**FY 2011-12 Cash Fund Transfer  
Debt Collection Fund (\$249,494)**

**Department Request**

The Department requests to transfer \$249,494 cash funds from the Debt Collection Fund to the General Fund for FY 2011-12. The Debt Collection Fund receives collection fees that are assessed to individuals for collection of past due debts owed to the State. The Department of Personnel and Administration determines the amount of the collection fee, which shall approximate the reasonable costs incurred by the Office of the State Controller to collect the debts.

**Staff Recommendation**

**Staff recommends this request.**

**Staff Analysis**

- ☐ *Fund balance:* The following table details the fund balance for the Debt Collection Fund. According to data provided by the Department, it appears that there will be a sufficient fund balance to allow for the transfer.

<b>Debt Collection Fund: Analysis of Fund Balance Reserve</b>						
	Beginning Balance	Revenue	Expenditures	Final FY Balance	FY Approp	% Balance to FY Approp
FY 2008-09	\$478,755	\$2,374,478	\$2,578,320	\$274,913	\$2,724,537	10.1%
FY 2009-10	274,913	2,638,518	2,407,124	506,307	2,663,755	19.0%
FY 2010-11 est.	506,307	2,694,697	2,782,619	418,385	2,734,018	15.3%
FY 2011-12 est.	418,385	2,748,591	2,827,255	339,721	2,828,882	12.0%

- ☐ *Revenue source:* The fund revenue is generated by assessing fees to individuals that have not paid moneys owed to the State. **The revenue was not generated to support the provision of a specific service or for a specific purpose other than funding the collections process.** It is unlikely that the transfer would divert moneys from a purpose other than supporting debt collection.
- ☐ *Funds transfer:* Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the Debt Collection Fund balance at the end of any fiscal year shall not exceed 25.0 percent of the annual appropriated budget for the collection of debts owed to



the State. Revenues collected in excess of 25.0 percent shall revert to the General Fund at the end of the fiscal year. The most recent transfer was at the for FY 2004-05, when \$52,410 was transferred from the Debt Collection fund to the General Fund. If the General Assembly does not transfer these moneys to the General Fund for balancing purposes for FY 2011-12, **it is still possible that the funds would still transferred to the General Fund in future years.** The General Assembly benefits more by transferring the cash funds to the General Fund for FY 2011-12 than if the funds were to automatically transfer in future years, when they may not be necessary for budget balancing purposes.

**Administrative Hearings Fund**  
**\$1,000,000 (\$741,800 transfer to General Fund)**

**Department Request**

The Department requests to transfer \$1,000,000 from the Administrative Hearing Fund to the General Fund for budget-balancing purposes for FY 2011-12. Of this amount, only \$741,800 would actually be deposited into the General Fund because the State must reimburse the federal government for the portion of the funds that originated as federal funds (estimated to be \$258,200).

**Staff Recommendation**

**Staff does not recommend the request.** Staff instead recommends that the Department use this fund balance to offset the billings from the Office of Administrative Courts to user agencies for FY 2011-12. The Department would supplant a portion of the funds it would have collected from the user agencies with moneys from the fund balance. This is the same approach that was applied for FY 2010-11 to reduce the fund balances for the Department's statewide Risk Management programs.

**Staff Analysis**

- The Department's request references the Administrative Hearings Fund, but the statutory cite provided to Joint Budget Committee Staff references the Administrative Courts Cash Fund (Section 24-30-1001 (3), C.R.S.). Staff assumes that the Department intended to reference the Administrative Courts Cash Fund, because this fund receives the moneys that are transferred from user agencies for services provided by the Office of Administrative Courts.
- This cash fund is comprised of fees collected from user agencies. The agencies are billed proportionally based upon the prior year's actual usage.
- Federal fund reimbursement:* Approximately 25.8 percent of the moneys in the fund originate as federal funds in the user agencies, and the federal government does not permit its moneys to be transferred to the General Fund for budget-balancing purposes. As a result, the State must re-pay the federal government for its portion of the transfer, which the Department anticipates will be \$258,200. If the funds are not repaid within a certain timeframe, the State may begin to accrue interest charges. The transfer request includes an appropriation for \$258,200 cash funds for the Administrative Courts, Operating Expenses line item for the spending authority to make this reimbursement.

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

This division provides policy direction and manages the Department's fiscal and budgetary affairs.

**Funding:** The Executive Director's Office receives its funding from indirect costs that are transferred from other divisions, pursuant to the statewide indirect cost allocation plan. The indirect cost recovery plan allows the State to collect dollars from cash-funded and federally-funded programs that benefit from certain State services but for which they are not directly billed. For example, the Department manages the state personnel system, and the State incurs a cost for providing this service to programs supported by cash and federal funds. **The indirect cost recoveries are used to offset General Fund in the Department's budget.**

<b>Department of Personnel and Administration: Indirect Cost Recoveries by Program</b>				
<b>Program</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>Difference</b>	<b>Percentage Difference</b>
C-SEAP	\$83,237	\$106,194	\$22,957	27.6%
Training Services	4,605	9,414	4,809	104.4%
Employee Benefits	250,261	209,719	(40,542)	(16.2)%
Risk Management	183,888	178,656	(5,232)	(2.8)%
Central Services - Administration	139,025	115,630	(23,395)	(16.8)%
Central Services - Fleet Management	641,731	614,667	(27,064)	(4.2)%
Central Services - Capitol Buildings	525,058	457,027	(68,031)	(13.0)%
Central Services - Reprographics	214,955	158,482	(56,473)	(26.3)%
Central Services - Document Solutions	261,123	211,542	(49,581)	(19.0)%
Central Services - Mail Services	252,286	226,720	(25,566)	(10.1)%
Finance & Procurement - Collections	342,534	270,124	(72,410)	(21.1)%
Administrative Courts	<u>258,320</u>	<u>185,047</u>	<u>(73,273)</u>	<u>(28.4)%</u>
<b>TOTAL</b>	<b>\$3,157,023</b>	<b>\$2,743,222</b>	<b>(\$413,801)</b>	<b>(13.1)%</b>

### Transfers from Other Departments

Most departments apply their indirect cost recoveries to offset General Fund within their own budget. However, certain departments such as the Department of Labor and Employment, the Department of State, and the Department of Transportation do not have General Fund against which to apply their indirect cost recoveries. These departments transfer the moneys to the Department of Personnel and Administration (DPA), which then uses the funds to offset General Fund within its own budget. The following table indicates the amount of additional indirect cost recoveries that DPA anticipates it will receive from other departments.

FY 2011-12 Indirect Cost Recoveries from Other Departments	
Department	Amount
Department of Transportation	\$1,993,515
Department of Labor and Employment	442,671
Department of State	<u>136,752</u>
<b>Total</b>	<b>\$2,572,938</b>

**Executive Director's Office: Staff Summary**

<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
<i>(A) Department Administration</i>					
Accounting / Budget	8.2	8.0	8.1	8.1	8.1
General Professional / Management	8.1	6.4	6.4	6.4	6.4
Support / Clerical	3.0	3.0	3.0	3.0	3.0
Executive Director	1.0	1.0	1.0	1.0	1.0
Deputy Director	1.0	1.0	1.0	1.0	1.0
HIPAA-Security Remediation	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<i>Subtotal - (A) Department Administration</i>	<i>22.3</i>	<i>19.4</i>	<i>19.5</i>	<i>19.5</i>	<i>19.5</i>
<i>(B) Special Purpose</i>					
<i>(1) Colorado State Employees Assistance Program</i>					
General Professional	5.4	5.9	7.0	7.0	7.0
Support / Clerical	1.9	2.0	2.0	2.0	2.0
Management	0.0	1.0	1.0	1.0	1.0
<i>(2) Office of the State Architect</i>					
General Professional / Manager	2.9	3.0	2.8	2.8	2.8
Architect / Engineer	2.0	2.0	2.0	2.0	2.0
Support / Clerical	1.0	0.2	0.2	0.2	0.2
<i>(3) Colorado State Archives</i>					
Archivist	3.9	3.5	4.0	4.0	4.0
General Professional	3.0	3.0	3.0	3.0	3.0
Support / Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<i>Subtotal - (B) Special Purpose</i>	<i>21.1</i>	<i>21.6</i>	<i>23.0</i>	<i>23.0</i>	<i>23.0</i>
<b>Total - Executive Director's Office</b>	<b>43.4</b>	<b>41.0</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>

**Personal Services**

The Department requests an appropriation of \$1,611,731 reappropriated funds (statewide indirect cost recoveries) and 19.5 FTE for FY 2011-12. **Staff recommends an appropriation of \$1,620,184 reappropriated funds and 19.5 FTE for FY 2011-12.** Staff's recommendation is greater than the Department's request because staff applied a 1.5 percent vacancy savings reduction in place of the Executive Branch's requested 2.0 percent General Fund reduction (statewide indirect cost recoveries are treated as General Fund for the purposes of budget balancing actions). The fund source is statewide indirect cost recoveries. Staff's calculations are outlined in the following table.

<b>FY 2011-12 Recommendation: Department Administration, Personal Services</b>		
<b>Item</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$1,674,443</b>	<b>19.5</b>
Offset administrative costs with ARRA funds	(49,002)	0.0
H.B. 10-1404	(33,220)	0.0
1.0 percent General Fund reduction	(16,410)	0.0
<b>Current FY 2011-12 Appropriation</b>	<b>\$1,575,811</b>	<b>19.5</b>
Annualize PERA adjustment for FY 2010-11	49,356	0.0
Annualize ARRA supplemental	49,002	0.0
Restore 1.0 percent General Fund reduction	16,410	0.0
<b>FY 2011-12 Base Appropriation</b>	<b>\$1,690,579</b>	<b>19.5</b>
2.5% PERA contribution adjustment for FY 2011-12	(45,036)	0.0
1.5 percent vacancy savings reduction	(25,359)	0.0
<b>FY 2011-12 Recommendation</b>	<b>\$1,620,184</b>	<b>19.5</b>

**Health, Life, and Dental**

Pursuant to Section 24-50-609 (2) (b) (I), C.R.S., the State provides for contributions to employee health, life, and dental insurance premiums. Appropriations for these purposes are consolidated into a single line item, "Health, Life, and Dental", in each Executive Director's Office. The single line item appropriation gives a department the flexibility to absorb shifts in enrollment amongst its employees.

The Department requests an appropriation of \$2,107,935 total funds for FY 2011-12. This amount includes \$591,582 General Fund, \$136,189 cash funds, and \$1,380,164 reappropriated funds. **Staff recommends a total appropriation of \$2,122,540 (\$597,931 General Fund, \$136,189 cash funds, and \$1,388,420 reappropriated funds) for the Health, Life, and Dental line item for FY 2011-12.** This recommendation is consistent with the Committee's FY 2011-12 common policy for this line

item. Staff's recommendation differs from the Department's request because it does not include a reduction of \$14,605 total funds, including \$6,349 General Fund, to reflect the Executive Branch's request to sponsor legislation to pro-rate benefits for part-time employees. This adjustment would occur through the legislation's appropriation clause (if it is enacted).

### **Short-term Disability**

Short-term disability coverage provides for the partial payment of an employee's salary if an individual becomes disabled and is unable to work (Section 24-50-603 (13), C.R.S.). The State fully funds this benefit for all employees, and it provides up to 60.0 percent of an employee's salary for a period not to exceed six months. The Committee approved a short-term disability rate of 0.177 percent for FY 2011-12. The amount is calculated on the most recent year's actual expenditures for the combined base of continuation salaries, salary survey, performance-based pay, and shift differential.

The Department requests a total appropriation of \$34,457 for FY 2011-12 (\$12,548 General Fund, \$2,379 cash funds, and \$19,530 reappropriated funds). **Staff recommends a total appropriation of \$34,270 for FY 2011-12, with the fund splits of \$12,480 General Fund, \$2,366 cash funds, and \$19,424 reappropriated funds.**

### **S.B. 04-257 Amortization Equalization Disbursement (AED)**

Pursuant to Section 24-51-411 (3.2), C.R.S., this line item provides additional funds to increase the employer's contribution for the Public Employee Retirement Association (PERA). The funds are calculated based on a percentage of employee base salaries (plus shift differential). The amount increases by 0.4 percent every calendar year through 2017, when the contribution rate will reach its maximum amount of 5.0 percent. Pursuant to Committee common policy, staff recommends calculating the AED at 2.6 percent of employee base salaries (plus shift differential) for calendar year 2011, and at 3.0 percent for calendar year 2012. In order to account for the pay-date shift, the Committee approved a common policy to calculate the General Fund portion of the appropriation as seven months for the calendar year 2011 rate (2.6 percent), and five months at the 2012 rate (3.0 percent). All other fund sources are calculated as six months each for calendar year 2011 and six months for calendar year 2012.

The Department requests a total appropriation of \$545,080, including \$198,494 General Fund, \$37,641 cash funds, and \$308,945 reappropriated funds. **Staff recommends an appropriation of \$542,142 for FY 2011-12, comprised of \$197,424 General Fund, \$37,438 cash funds, and \$307,280 reappropriated funds for FY 2011-12.**

### **S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED)**

Pursuant to Section 24-51-411 (3.2), C.R.S., this line item provides additional funds for the Public Employee Retirement Association. The SAED is calculated based on a percentage of employee base salaries (plus shift differential). The amount increases by 0.5 percent annually through 2017, when it will reach its maximum contribution rate of 5.0 percent.

The Department requests an appropriation of \$438,010 (\$159,504 General Fund, \$30,247 cash funds, and \$248,259 reappropriated funds). Staff calculated the SAED appropriation according to Committee common policy, and **recommends a total appropriation of \$435,648 (\$158,644 General Fund, \$30,084 cash funds, and \$246,920 reappropriated funds) for FY 2011-12.**

### **Salary Survey and Senior Executive Service**

This line item funds annual increases for salary survey and senior executive service (SES) positions. Pursuant to statewide common policy, the Department did not request, and the Committee did not approve, any salary survey for FY 2011-12. **Staff recommends \$0 for salary survey for FY 2011-12.**

### **Performance-Based Pay Awards**

The Department did not request, and the Committee did not approve, funding performance-based pay for FY 2011-12. **Staff recommends \$0 for performance-based pay awards for FY 2011-12.**

### **Shift Differential**

This line item funds additional pay for employees who work outside the regular Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. The Department uses its shift differential to provide building maintenance after hours and to provide mail and reprographics services, which often requires work to be performed in the evenings and on weekends. The Department requests an appropriation of \$47,710 (\$5 cash funds and \$41,705 reappropriated funds) for FY 2011-12. **Staff recommendation is pending the Committee's approval of a common policy for this line item.**

### **Workers' Compensation**

This line item funds the Department's portion of the statewide Workers' Compensation Program, which pays for workers' compensation benefits to state employees. The state is self-insured for workers' compensation claims. **Staff's recommendation for workers' compensation is pending a Committee common policy for this item.** Staff requests permission to apply the Committee's common policy, once it has been approved.



### Operating Expenses

The Department requests an appropriation of \$95,512 reappropriated funds (indirect cost recoveries) for FY 2011-12. **Staff recommends an appropriation of \$95,440 reappropriated funds (indirect cost recoveries) for FY 2011-12, which is a continuation level of funds from the FY 2010-11 Long Bill appropriation.** Staff's recommendation is less than the Department's request because the Department's request includes an additional \$72 for the printing of statewide warrants and mainframe documents, which the Committee did not approve for FY 2011-12.

### Legal Services

The Department's initial budget submission requested an appropriation amount sufficient to fund 3,021 legal services hours, which is the same number of hours that were requested for the FY 2009-10 and FY 2010-11 Long Bill appropriations. The Department submitted a budget amendment to reduce the General Fund appropriation for this line item by \$33,578 as a part of the statewide request to reduce General Fund expenditures by an additional 1.0 percent. Staff notes that the appropriation amount for this line item depends upon the blended legal rate per hour for FY 2011-12, which is based the number of legal services hours that the departments are anticipated to request from Office of the Attorney General. Staff converted the Department's request to a reduction in legal services hours, based on the FY 2010-11 blended legal rate of \$73.37 per hour (reduces the Department's request by 468 legal services hours). **Staff's recommendation is to appropriate moneys to fund 2,563 legal services hours. The actual dollar amount is pending the Committee's approval of this statewide common policy.** Of the total dollar amount, staff recommends a fund split of 78.4 percent General Fund and 21.6 percent reappropriated funds, based on the FY 2010-11 Long Bill fund splits.

### Administrative Law Judge Services

This appropriation is used to fund the Department of Personnel and Administration's share of statewide administrative law judge and paralegal services. The Department's requested FY 2011-12 appropriation, \$3,325 reappropriated funds, is \$1,901 less than the amount appropriated for the FY 2010-11 Long Bill. This line item is traditionally funded by fees from user agencies. **Staff recommendation is pending the Committee's approval of a statewide common policy for Administrative Law Judge services.** Staff requests permission to apply the Committee's policy once it has been determined.

### Purchase of Services from Computer Center

This line item funds the Department's portion of statewide computer usage and services from the Governor's Office of Information Technology (OIT). The Department requests an appropriation of \$3,073,737 (\$111,409 General Fund, \$343,876 cash funds, and \$2,618,452 reappropriated funds) for FY 2011-12. This is a \$1.6 million decrease in comparison to the FY 2010-11 appropriation.

The primary reason for the decrease for the Department's FY 2011-12 request is because the (OIT)

changed its cost allocations associated with the Colorado Financial Reporting System (COFRS) and the Colorado Personnel Payroll System (CPPS). During the OIT consolidation, the entire statewide costs for these systems were billed to DPA. Staff's understanding is that for FY 2011-12, OIT will proportionally bill user agencies for these systems through the OIT common policy line items. **Staff's recommendation is pending the Committee's approval of this common policy.**

#### **Multiuse Network Payments**

This line item funds the Department's portion of costs associated with the Office of Information Technology's administration of the Multiuse Network. The Department requests an appropriation of \$177,220 reappropriated funds for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy for this service.** Staff requests permission to apply the FY 2011-12 common policy once it has been determined.

#### **Management and Administration of OIT**

This line item funds the internal office operations and support for the Governor's Office of Information Technology (OIT). The Department requests an appropriation of \$92,618 (\$11,825 General Fund, \$8,068 cash funds, and \$72,725 reappropriated funds) for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the FY 2011-12 common policy once it has been determined.

#### **Payment to Risk Management and Property Funds**

This appropriation funds the Department's share of the statewide cost of property and liability insurance coverage. The property insurance is for State buildings and their contents, and the liability insurance covers claims and expenses that are brought against the State. The Department requests \$655,206 (\$143,794 General Fund, \$45,846 cash funds, and \$465,566 reappropriated funds) for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy.** Staff requests permission to apply the common policy once it has been determined.

#### **Vehicle Lease Payments**

The Department requests an appropriation of \$115,125 reappropriated funds for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy.** Staff requests permission to apply the common policy once it has been determined.

#### **Leased Space**

This line item funds the Department's obligations for the lease of private office space and other facilities that are not State-owned. The Department requests a total appropriation of \$1,270,593 (\$17,163 cash funds and \$1,253,430 reappropriated funds). **Staff recommends the Department's**

**request for \$1,270,593 for FY 2011-12**, which is the same amount of funds that was appropriated for FY 2010-11. The primary cost driver is the lease for the executive offices at 633 17th street. The lease was signed in December, 2004, and will expire on September 30th, 2015. Staff inquired about whether the Department had attempted to re-negotiate the lease terms to account for the recent decrease in real estate values. The Department responded that it has not attempted to renegotiate the lease rate (\$16.00 per square foot per year) because it believes that this rate is below the market rate for leases in the downtown area.

The following table reflects how the leased space is allocated amongst the Department's various divisions.

<b>FY 2011-12 Recommendation: Leased Space Amounts and Fund Splits</b>				
<b>Division</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds<sup>1/</sup></b>	<b>Reapprop. Funds<sup>2/</sup></b>
Executive Office	\$165,044	\$0	\$165,044	\$0
CSEAP	76,182	0	0	76,182
Human Resources	13,264	3,834	6,522	2,908
Personnel Board	43,367	0	43,367	0
Central Services	331,837	0	0	331,837
Accounts & Control - Controller	285,176	13,329	199,365	72,482
Administrative Hearings	<u>355,723</u>	<u>0</u>	<u>0</u>	<u>355,723</u>
<b>Total</b>	<b>\$1,270,593</b>	<b>\$17,163</b>	<b>\$414,298</b>	<b>\$839,132</b>
1/ These funds are statewide indirect cost recoveries that offset General Fund for these divisions.				
2/ These funds represent fees from user agencies.				

**Capitol Complex Leased Space**

This appropriation represents the Department's portion of the costs for occupying space in the Capitol Complex (including North Campus and 1881 Pierce Street), the Grand Junction State Services Building, and Camp George West. The annual cost allocation to agencies is calculated by the Department and is based on total recoverable program costs and overhead associated with the maintenance and property management functions provided by the Division of Central Services.

The Department requests a total appropriation of \$884,519 for FY 2011-12 (\$39,868 General Fund, \$34,729 cash funds, and \$809,922 reappropriated funds). **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the common policy once it has been determined.

**Communications Services Payments**

This line item's appropriation is used to pay for the Department's share of the overhead costs related to the State's public safety communications infrastructure. The Department requests \$848 General Fund for FY 2011-12, which is a \$16 increase in comparison to the FY 2010-11 appropriation.

**Staff's recommendation is pending the Committee's approval of a statewide common policy for this line item.** Staff requests permission to apply the common policy once it has been determined.

**(B) STATEWIDE SPECIAL PURPOSE**

**(1) COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM (CSEAP)**

Pursuant to Section 24-50-604 (1) (k), C.R.S., this program offers counseling to employees on workplace issues such as absenteeism, sexual harassment, substance abuse, time management, violence in the workplace, and other types of personal problems that may be affecting an employee's ability to perform well at work. The program also provides guidance to program managers to address these workplace issues before they become liabilities.

The Department provided data that indicates the program's efficiency. According to the Employee Assistance Professional Organization, the average cost for operating an employee assistance program such as CSEAP is \$20.29 per employee. Colorado's average cost per employee is \$12.03, which is considerably less than the national average. The program is funded by the State Employee Workers' Compensation Account cash fund, which includes funds collected from other state agencies. Approximately 60.0 percent of these funds originate as General Fund. The program's workload indicators are included in the following table.

Colorado State Employees' Assistance Program Workload Indicators					
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Number of contacts between CSEAP and employees or supervisors	7,015	7,094	8,149	9,001	9,224

**Personal Services**

The Department requests an appropriation of \$618,885 reappropriated funds and 10.0 FTE for FY 2011-12. This amount is based on a continuation level of funding from FY 2010-11, as well as an annualization of the 2.5 percent PERA contribution adjustment. **Staff recommends an appropriation of \$609,415 reappropriated funds and 10.0 FTE for FY 2011-12.** The difference between the Department's request and staff's recommendation is because staff also applied a 1.5 percent vacancy savings reduction.

Colorado State Employees Assistance Program: Staff Summary					
Position	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.
General Professional	4.4	5.9	7.0	7.0	7.0
Support / Clerical	1.9	2.0	2.0	2.0	2.0
Management	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>7.3</b>	<b>8.9</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

### Operating Expenses

The Department requests an appropriation of \$52,881 reappropriated funds for FY 2011-12. The request is based on the FY 2010-11 Long Bill appropriation, and includes a requested \$37 reappropriated funds increase for the printing of statewide warrants and mainframe documents. **Staff recommends an appropriation of \$52,844 reappropriated funds for FY 2011-12.** Staff's recommendation reflects the Committee's prior decision to not fund the requested increase for statewide warrants and mainframe documents.

### Indirect Cost Recoveries

**The Department requests, and staff recommends, an appropriation of \$106,194 reappropriated funds for FY 2011-12.** This recommendation is consistent with the Committee's statewide common policy for indirect cost recoveries.

### **(B) STATEWIDE SPECIAL PURPOSE**

#### **(2) OFFICE OF THE STATE ARCHITECT**

The Office of the State Architect establishes policies and procedures for the State's capital construction process, including controlled maintenance, at each state agency and institutions of higher education. The Office provides project administration services to agencies that do not have technical staff experienced in project design and construction management, and establishes policies for State leases and real estate contracts.

The Department requests an appropriation of \$452,554 General Fund and 5.0 FTE for FY 2011-12. The Committee decided to not fund several components of the Department's request, such as additional funds for statewide printing and the 2.0 percent Personal Services General Fund reduction. The following table reflects how staff applied the Committee's approved statewide common policies to this line item for FY 2011-12. Staff's calculations resulted in a figure that is \$2,044 greater than the Department's initial request for FY 2011-12. The difference is primarily because staff applied the statewide common policy of a 1.5 percent vacancy savings reduction in place of the Executive Branch's requested 2.0 percent General Fund reduction for certain Personal Services line items. Staff

notes that the 2.0 percent reduction would have been restored for FY 2012-13, but the 1.5 percent vacancy savings reduction will become a part of the base appropriation. **Staff recommends an appropriation of \$454,598 General Fund and 5.0 FTE for FY 2011-12.** Of the total amount, approximately \$438,000 is for personal services expenditures and approximately \$15,000 is for operating expenses.

<b>FY 2011-12 Recommendation: Office of the State Architect</b>		
<b>Item</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$458,116</b>	<b>5.0</b>
1.0 percent General Fund reduction	(4,431)	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$453,685</b>	<b>5.0</b>
Annualize S.B. 10-146, FY 2010-11 2.5% PERA reduction	14,857	0.0
Restore 1.0 percent General Fund reduction for FY 2010-11	4,431	0.0
<b>FY 2011-12 Base Request</b>	<b>\$472,973</b>	<b>5.0</b>
2.5 percent PERA reduction for FY 2011-12	(11,280)	0.0
1.5 percent vacancy savings	<u>(7,095)</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$454,598</b>	<b>5.0</b>

**(B) STATEWIDE SPECIAL PURPOSE**

**(3) COLORADO STATE ARCHIVES**

This section manages the State's Internet home page content and sets forth the standard records retention policies for state government. It also preserves and maintains historical documents pertaining to Colorado's history, and provides state agencies and the general public access to these records for legal and research purposes.

<b>Colorado State Archives: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
General Professional	3.0	3.0	3.0	3.0	3.0
Archivist	3.9	3.5	4.0	4.0	4.0
Support/Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>7.9</b>	<b>7.5</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

**Personal Services**

The Department requests an appropriation of \$517,426 and 8.0 FTE (\$408,425 General Fund, \$98,346 cash funds, and \$10,655 reappropriated funds) for FY 2011-12. **Staff recommends a total appropriation of \$517,885 and 8.0 FTE (\$399,359 General Fund, \$108,035 cash funds, and \$10,491 reappropriated funds) for FY 2011-12.** Staff's recommended appropriation is slightly greater than the Department's request because staff applied the 1.5 percent vacancy savings reduction instead of the requested 2.0 percent General Fund reduction. However, staff notes that the 2.0 percent reduction would have been restored for FY 2012-13, but the vacancy savings will not be restored.

House Bill 10-1181 directed the State Archives to charge individuals and other state agencies a fee for certain services. The Department initially estimated that these fees would generate \$6,802 in revenue annually, which is intended to offset the General Fund portion of the appropriation. For FY 2011-12, the Department anticipates that the new fees will generate approximately \$18,000 cash funds, which staff applied to further offset General Fund for FY 2011-12. The calculations for staff's recommendation are reflected in the following table.

<b>FY 2011-12 Recommendation: Colorado State Archives, Personal Services</b>					
<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$524,770</b>	<b>\$422,649</b>	<b>\$91,490</b>	<b>\$10,631</b>	<b>8.0</b>
Supplemental - ARRA funds	3,750	(5,000)	8,750	0	0.0
1.0 percent General Fund reduction	(4,158)	(4,158)	0	0	0.0
H.B. 10-1181	0	(6,802)	6,802	0	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$524,362</b>	<b>\$406,689</b>	<b>\$107,042</b>	<b>\$10,631</b>	<b>8.0</b>
Annualize FY 2010-11 PERA reduction	13,315	10,724	2,321	270	0.0
Restore 1.0 percent General Fund reduction	4,158	4,158	0	0	0.0
Annualize ARRA funds supplemental	(3,750)	5,000	(8,750)	0	0.0
<b>FY 2011-12 Base Appropriation</b>	<b>\$538,085</b>	<b>\$426,571</b>	<b>\$100,613</b>	<b>\$10,901</b>	<b>8.0</b>
2.5 percent PERA reduction for FY 2011-12	(12,128)	(9,615)	(2,267)	(246)	0.0
1.5 percent vacancy savings	(8,072)	(6,399)	(1,509)	(164)	0.0
Refinance per H.B. 10-1181	<u>0</u>	<u>(11,198)</u>	<u>11,198</u>	<u>0</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$517,885</b>	<b>\$399,359</b>	<b>\$108,035</b>	<b>\$10,491</b>	<b>8.0</b>

**Operating Expenses**

This line item provides operating funds for the State's archival services and records management. The Department requests an appropriation of \$53,984 reappropriated funds for FY 2011-12. This amount is based on the appropriation for FY 2010-11, and a \$30 increase for the statewide request related to

printing. The Committee has previously decided to not fund the statewide common policy request for the printing of statewide warrants and mainframe documents. Staff is unaware of any factors that would cause the State Archives' operating costs to change for FY 2011-12, and therefore **staff recommends an appropriation of \$53,954 reappropriated funds for FY 2011-12.**

**(B) STATEWIDE SPECIAL PURPOSE**

**(4) OTHER STATEWIDE SPECIAL PURPOSE**

**Test Facility Lease**

This line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado. In 1970, the State agreed to lease 33,492 acres of land from the State Land Board, and then to sub-lease it to the U.S. Department of Transportation, Federal Railroad Commission free of charge. The land is used for a high-speed train test site, and the site currently employs approximately 450 people. The original 50-year lease agreement will expire on August 1, 2020.

The Department requests a \$119,842 General Fund appropriation for FY 2011-12. This is the same amount that was appropriated for FY 2009-10 and FY 2010-11. **Staff recommends an appropriation of \$119,842 General Fund for FY 2011-12.**

**Employment Security Contract Payment**

This appropriation supports a contract with a private company (Employer's Edge, LLC) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding the Department of Higher Education. The Department requests a total appropriation of \$18,000, which includes \$11,264 General Fund and \$6,736 reappropriated funds. **Staff recommends an appropriation of \$18,000** (\$11,264 General Fund and \$6,736 reappropriated funds) for FY 2011-12.

**Employees Emeritus Retirement**

This program was created in 1967 and it allows for monthly retirement benefits to be paid to former state employees who had retired from state service for superannuation on a full annuity or disability before July 1, 1967. The program has been modified several times since its inception, which primarily impacted the enrollment date and monthly payment amounts. Staff's understanding is that the program allows for recipients to receive \$125 per month, less any pension or retirement funds supported in part by the State. However, staff's understanding is that the State has never guaranteed this monthly payment amount, and the original legislation directed the payments to be prorated on an equal monthly basis within the limits of the annual appropriation.

The program's statutory authority has expired, and there has never been a guarantee that the State would appropriate moneys for this purpose. The line item's appropriation amounts have decreased



in recent years, and it is questionable whether moneys are still warranted for this purpose. The Department requests \$2,710 General Fund for this program for FY 2011-12. **Staff recommends \$0 for this line item for FY 2011-12.**

**(2) DIVISION OF HUMAN RESOURCES**

This division is responsible for: (1) the administration of the State's classified personnel system; (2) administration of the employee benefits programs; (3) manages statewide systems for payroll and employee databases; and (4) operates the statewide risk management program, including the procurement of property, casualty, and workers' compensation insurance policies.

**(A) HUMAN RESOURCE SERVICES**

**(1) STATE AGENCY SERVICES**

This section interprets applicable personnel rules and regulations, conducts the annual total compensation survey, and provides policy guidance for developing state benefits.

<b>Division of Human Resources, State Agency Services: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Director/Management	1.2	1.4	1.4	1.4	1.4
General Professional I - II	17.3	1.0	1.2	1.2	1.2
General Professional III - IV	0.0	5.2	5.2	5.2	5.2
General Professional V - VII	0.0	8.5	8.5	8.5	8.5
Support/Clerical	<u>5.1</u>	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>
<b>Total</b>	<b>23.6</b>	<b>20.0</b>	<b>20.2</b>	<b>20.2</b>	<b>20.2</b>

**Personal Services**

The Department requests an appropriation of \$1,595,569 reappropriated funds and 20.2 FTE for FY 2011-12. **Staff recommends an appropriation of \$1,593,907 reappropriated funds and 20.2 FTE for FY 2011-12.** The reappropriated funds source is indirect cost recoveries available to offset the need for General Fund in this division. Staff's calculations are reflected in the following table.

<b>FY 2011-12 Recommendation: State Agency Services, Personal Services</b>		
<b>Item</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$1,628,251</b>	<b>20.2</b>
1.0 percent General Fund reduction for FY 2010-11	(16,283)	0.0
Offset administrative costs with ARRA funds	(15,595)	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$1,596,373</b>	<b>20.2</b>
Restore FY 2010-11 PERA reduction	39,523	0.0
Restore 1.0 percent General Fund reduction	16,283	0.0
Annualize ARRA supplemental	15,595	0.0
<b>FY 2011-12 Base Request</b>	<b>\$1,667,774</b>	<b>20.2</b>
FY 2011-12 PERA reduction	(38,850)	0.0
1.5 percent vacancy savings	(25,017)	0.0
1.0 percent General Fund reduction	<u>(10,000)</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$1,593,907</b>	<b>20.2</b>

### **Operating Expenses**

The Department requests an appropriation of \$84,145 reappropriated funds for FY 2011-12. **Staff recommends an appropriation of \$84,070 reappropriated funds for FY 2011-12.** The Department's request is greater than staff's recommendation because it includes \$75 for the printing of statewide warrants and mainframe documents, which the Committee has already decided to not fund.

### **(A) HUMAN RESOURCE SERVICES**

#### **(2) TRAINING SERVICES**

Pursuant to Section 24-50-122, C.R.S., this program provides training courses on supervision, program management, diversity, contract management, procurement procedures, legislative testimony, violence prevention, and performance management to state employees. The Department requests an appropriation of \$266,945 (\$145,618 cash funds and \$121,327 reappropriated funds) for FY 2011-12.

#### *Staff Concerns*

During the Department's FY 2009-10 figure-setting, numerous line items in the Department were appropriated contingency spending authority. The concept is that the additional spending authority allows the Department to respond to unanticipated requests for services without being constrained

by its appropriated spending authority<sup>1</sup>, particularly for when the additional requests can not be accommodated through the normal budget cycle. It is an attempt to address the Department's concerns despite not being comfortable with recommending an ongoing, base-building appropriation. **Contingency funds are not intended to permit the Department to build its ongoing base expenditures without submitting requests through the General Assembly's appropriations process.** *It is particularly important to monitor the spending patterns in departments that provide statewide services*, because these expenditures can provide information about the activities in other departments, as well.

This line item was appropriated an additional \$100,000 contingency spending authority for FY 2009-10, and the Committee approved staff's recommendation to appropriate the same amount of contingency funds for FY 2010-11. Staff has repeatedly emphasized to the Department that contingency funds are not intended to allow the Department to increase a line item's base appropriation on an ongoing basis. However, the Department's responses regarding this line item indicate that it has **used the contingency spending authority to increase its on-going base expenditures for both FY 2009-10 and FY 2010-11.** The Training Services Program has **absorbed the contingency spending authority into its ongoing base expenditures, which circumvents the General Assembly's appropriation authority and does not use the spending authority for the intended purpose.**

**Staff recommends an appropriation of \$191,945 total funds (\$70,618 cash funds and \$121,327 reappropriated funds) for FY 2011-12**, which reduces the line item's contingency spending authority by 75.0 percent (\$75,000).

#### **Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$9,414 reappropriated funds for FY 2011-12.** This recommendation is consistent with the Committee's common policy for this item.

#### **(B) EMPLOYEE BENEFITS SERVICES**

This section administers and oversees the state's employee benefits program and provides the initial design of the programs. It also provides the subsequent contractual, administrative, and financial management of these programs. The programs include the following: (1) dental plans; (2) medical plans; (3) an optional life and accidental death and disability plan; (4) a short-term disability plan; (5) a long-term disability plan; and (6) Section 125 Flexible Spending Account Programs.

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<sup>1</sup> See Joint Budget Committee Staff's FY 2009-10 figure-setting document for the Department of Personnel and Administration, pg. 49 (March 11, 2009), and the FY 2010-11 figure-setting document for the Department, pg. 50 (March 9, 2010).

<b>Employee Benefits Services: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
General Professional V - VII	0.0	4.3	4.3	4.3	4.3
Support / Clerical	2.8	2.9	2.9	2.9	2.9
General Professional III - IV	0.0	2.0	2.8	2.8	2.8
General Professional I - II	7.1	0.0	0.0	0.0	0.0
Accounting	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>11.1</b>	<b>9.2</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

**Personal Services**

The Department requests an appropriation of \$780,181 cash funds and 10.0 FTE for FY 2011-12. **Staff recommends an appropriation of \$768,333 cash funds and 10.0 FTE for FY 2011-12.**

Staff's recommendation is based on the FY 2010-11 Long Bill appropriation, and it also: (1) annualizes the PERA contribution swap (\$9,602 increase); and (2) applies the 1.5 percent vacancy savings reduction (\$11,848 decrease). The cash funds source is the Employee Group Benefits Plan Cash Fund.

**Operating Expenses**

The Department requests an appropriation of \$58,361 cash funds. **Staff recommends a \$58,324 cash funds appropriation for FY 2011-12**, which includes an increase of \$1,400 to account for H.B. 10-1228. Staff's recommendation does not include an additional \$37 for the printing of statewide warrants and mainframe documents, because the Committee has already decided to not fund this portion of the request. The cash funds source is the Employee Group Benefits Plan Cash Fund.

**Utilization Review**

This appropriation funds audits of the State's employee group benefits plans to ensure that they are financially sound and accurate. The Department requests an appropriation of \$40,000 cash funds for FY 2011-12, which has been the same appropriation amount since FY 2007-08.

The Department states that the funds are used for two purposes: (1) \$12,500 to pay for dues associated with membership in the Colorado Business Group on Health, a non-profit organization that represents large purchasers of health care services in the State; and (2) \$27,500 for contractual services to analyze plan utilization and financial analysis. The contract services assess unit costs and cost drivers such as medical procedures and demographics. **Staff recommends a \$40,000 cash funds appropriation for FY 2011-12.** The cash funds source is the Group Benefit Plans Reserve Fund.

### **Deferred Compensation Plans**

Senate Bill 09-066 transferred the administration of the State's deferred compensation retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2011-12. **The Committee does not need to take action on this line item.**

### **Deferred Compensation Administration (TPA)**

Senate Bill 09-066 transferred the administration of the State's deferred compensation retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2011-12. **The Committee does not need to take action on this line item.**

### **Defined Contribution Plans**

This line item previously supported the administration of the State's defined contribution plans. Senate Bill 09-066 transferred the administration of the State's defined contribution retirement plans to the Public Employees Retirement Association (PERA), and consequently eliminated the appropriation for this line item. The line item is included in this document for informational purposes only, to explain why the numbers pages reflect a \$0 appropriation for FY 2011-12. **The Committee does not need to take action on this line item.**

### **H.B. 07-1335 Supplemental State Contribution Fund**

Pursuant to Section 24-50-609 (5), C.R.S., this line item supplements the monthly state contribution amounts to the medical and dental benefit plan premiums of lower-income state employees who have at least one dependent (other than a spouse). The fund receives 4.5 percent of the tobacco-settlement revenue that is allocated for Tier 2 programs. These moneys are continuously appropriated and shall be expended to pay the costs of increased nonsupplemental state contributions, and to supplement the state contribution for employees enrolled in a qualifying group benefit plan. **During the presentation for the distribution of the State's tobacco settlement dollars, the Committee approved an appropriation of \$1,335,924 cash funds for FY 2011-12.**

### **Indirect Cost Recoveries**

The Department requests, and staff recommends, an appropriation of \$209,719 cash funds, pursuant to the statewide indirect cost recovery plan. **Staff recommends \$209,719 cash funds for FY 2011-12, which is consistent with the Committee's established common policy for statewide indirect cost recoveries.**

**(C) RISK MANAGEMENT SERVICES**

This office protects the State's human resource and property assets through the administration of liability insurance, property insurance, workers' compensation, and loss control programs. Pursuant to Section 24-30-1504 (1) (g), C.R.S., the Department is "to establish and administer a program to reduce property and liability losses incurred by each state agency." Services include: (1) accident investigation; (2) legal defense; (3) safety training; (4) hazard mitigation; (5) building inspection; (6) insurance procurement; (7) claim evaluation; and (8) data collection.

<b>Risk Management: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
General Professional III - IV	0.0	3.0	3.0	3.0	3.0
General Professional I - II	4.0	0.0	2.1	2.1	2.1
Support/Clerical	1.4	1.9	1.9	1.9	1.4
General Professional V - VI	0.0	1.0	1.0	1.0	1.0
Accounting	<u>0.8</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>6.2</b>	<b>6.9</b>	<b>9.0</b>	<b>9.0</b>	<b>8.5</b>

**Personal Services**

The Department requests an appropriation of \$650,037 reappropriated funds and 9.0 FTE for FY 2011-12. **Staff recommends an appropriation of \$640,149 reappropriated funds and 8.5 FTE for FY 2011-12.** The recommendation is based on the FY 2010-11 Long Bill appropriation, and includes the following adjustments: (1) applies the 1.5 percent vacancy savings reduction (\$9,888 decrease); annualizes the 2.5 percent PERA contribution reduction (\$48 decrease); and (3) decreases the amount of appropriated FTE by 0.5 FTE. The reappropriated funds sources are the Risk Management Fund, the Self-Insured Property Fund, and the State Employee Workers' Compensation Account.

Staff recommends reducing the FTE appropriation by 0.5 FTE so that the appropriated number in the Long Bill better reflects the actual filled positions. The purpose is to improve the Long Bill's representation of the resources devoted to each division. The FY 2010-11 appropriation was not affected by any special bills that would explain the discrepancy between the number of requested FTE for FY 2011-12 and the actual filled positions for FY 2009-10. Staff's recommended appropriation, 8.5 FTE, allows this section over 1.5 more than it has utilized since FY 2008-09.

**Operating Expenses**

The Department requests an appropriation of \$57,154 reappropriated funds for FY 2011-12. The fund sources are the Risk Management Fund, Self-Insured Property Fund, and the State Employee

Workers' Compensation Account. **Staff recommends a \$57,121 reappropriated funds appropriation for FY 2011-12, which is the same amount that was appropriated for FY 2010-11.**

Staff's recommendation is less than the Department's request because it does not include \$33 for the printing of statewide warrants and mainframe documents, which the Committee has already decided to not fund for FY 2011-12.

**Legal Services**

Pursuant to Section 24-30-1507, C.R.S., this line item funds the legal expenses associated with the Liability Program in the Risk Management Services Section. Funds in the Liability Program are continuously appropriated for this line item pursuant to Sections 24-30-1510 (1) and (3) (a), C.R.S., but funds for the State Employee Workers' Compensation Account are subject to annual appropriation by the General Assembly.

The Department requests 31,860 legal services hours, which is the same number that it has received for the prior five years. The Department's reconciliation requests an additional \$103,154 reappropriated funds for the Legal Services line item, attributing it to a base adjustment in the statewide common policy for Liability risk management premiums. However, staff is unable to identify where this increase was referenced or explained in the submission for the statewide operating common policies. **Staff recommends an appropriation of 31,860 legal services hours for FY 2011-12, but the actual dollar amount is pending the Committee's approval of a statewide common policy for legal services rates.** The following table reflects the Risk Management Services' anticipated legal costs for FY 2009-10 and FY 2010-11, by coverage type.

Cost of Legal Defense per Coverage Type				
Coverage	FY 2009-10		FY 2010-11	
	Actual	% of Total	Estimate	% of Total
Personal injury liability	\$1,279,446	60.2%	\$1,516,673	62.2%
Employment	567,964	26.7%	675,740	27.7%
Auto risk	112,550	5.3%	133,907	5.5%
Attorney General non claim costs	120,168	5.7%	66,500	2.7%
Service	<u>44,493</u>	<u>2.1%</u>	<u>44,655</u>	<u>1.8%</u>
<b>Total</b>	<b>\$2,124,621</b>	<b>100.0%</b>	<b>\$2,437,475</b>	<b>100.0%</b>

**Liability Premiums**

The State is self-insured for the Liability Program, and this line item is used to pay for liability claims and expenses brought against the State. The program provides coverage to state agencies and employees for tort and federal claims, including those arising out of the scope of employment. Judgements for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S. This act limits these awards to \$150,000 per person and

\$600,000 per occurrence. This act does *not* apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.), and there is no damage limit for these awards.

This line item is funded by appropriations from the Risk Management Fund, created pursuant to Section 24-30-1510, C.R.S. The Risk Management Fund receives revenues from two primary sources: (1) payments from state agencies; and (2) interest earned on those payments. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-1510 (1), C.R.S.

The department requests an appropriation of \$5,067,594 reappropriated funds for FY 2011-12. **Staff's recommendation is pending Committee approval of a statewide common policy for this line item.**

### **Property Premiums**

The Property program pays for commercial insurance and associated deductibles for insurance coverage of state properties. The program provides property loss coverage for state assets, including building and content value. The Property program is funded by appropriations from the Self-Insured Property Fund created pursuant to Section 24-30-1510.5, C.R.S. The Property Fund receives revenues from two primary sources: (1) payments from state agencies; and (2) interest on these payments. The General Assembly appropriates spending authority for program costs in the Long Bill. However, pursuant to Section 24-30-1510.5 (1), C.R.S., payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated.

The department requests an appropriation of \$8,925,709 reappropriated funds for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.**

### **Workers' Compensation Premiums**

The workers' compensation program is used to pay workers' compensation benefits to state employees. Similar to the liability program, the State is self-insured for workers' compensation claims. However, unlike the liability program, the Governmental Immunity Act does not apply to workers' compensation claims. There are two broad categories of workers' compensation payments: (1) medical payments; and (2) indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum payment for medical benefits.

The Workers' Compensation Program is funded by appropriations from the State Employee Workers' Compensation Account, a separate account within the Risk Management Fund pursuant to Section 24-



30-1510.7, C.R.S. Similar to the Liability Program, the fund receives revenue from payments from State agencies and interest. Moneys in the State Workers' Compensation Account are subject to annual appropriation by the General Assembly for the purposes of paying workers' compensation benefits to state employees in accordance with articles 40 to 47 of Title 8, C.R.S. (Section 24-30-1510.7 (2), C.R.S.).

The Department requests an appropriation of \$38,077,962 reappropriated funds for FY 2011-12. **Staff recommendation is pending the Committee's approval of a statewide common policy for this line item.**

**Indirect Cost Assessment**

**The Department requests, and staff recommends, and appropriation of \$178,656 reappropriated funds for FY 2011-12.** This recommendation is consistent with the Committee's approval of the statewide indirect cost recovery plan.

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES**

**(A) PERSONNEL BOARD**

The State Personnel Board is authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. Pursuant to Section 24-50-103, C.R.S., the Board has the authority to adopt by rule a uniform grievance procedure to be used by all departments and state agencies for classified employees in the state personnel system. The Board is responsible for the following: (1) adjudicates employment disputes within the state classified system; (2) promulgates rules to ensure that state employment is based on merit; (3) conducts administrative hearings; (4) promulgates rules under the authority of the State Administrative Procedures Act; and (5) facilitates dispute resolution.

<b>Constitutionally Independent Entities, Personnel Board: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Director / General Professional	2.0	2.0	2.0	2.0	2.0
Administrative Law Judge	1.8	1.8	1.8	1.8	1.8
Support / Clerical	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

**Personal Services**

The Department requests an appropriation of \$461,035 and 4.8 FTE for FY 2011-12. This amount includes \$459,864 General Fund and \$1,171 cash funds, which are generated by fees for copies of information and case documentation. **Staff recommends \$463,442 (\$462,289 General Fund and \$1,153 cash funds) and 4.8 FTE for FY 2011-12.** The difference between staff's recommendation and the department's request is because staff applied a 1.5 percent vacancy savings reduction instead of the 2.0 percent General Fund reduction. However, staff notes that the 1.5 percent vacancy reduction is base-building and will not be restored for FY 2012-13.

<b>FY 2011-12 Recommendation: Personnel Board, Personal Services</b>				
<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$473,985</b>	<b>\$472,819</b>	<b>\$1,166</b>	<b>4.8</b>
Offset administrative costs with ARRA funds	3,750	(5,000)	8,750	0.0
1.0 percent General Fund reduction for FY 2010-11	(4,728)	(4,728)	0	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$473,007</b>	<b>\$463,091</b>	<b>\$9,916</b>	<b>4.8</b>
Restore FY 2010-11 PERA reduction	11,906	11,876	30	0.0
Annualize ARRA supplemental	(3,750)	5,000	(8,750)	0.0
Restore 1.0 percent General Fund reduction	4,728	4,728	0	0.0
<b>FY 2011-12 Base Request</b>	<b>\$485,891</b>	<b>\$484,695</b>	<b>\$1,196</b>	<b>4.8</b>
FY 2011-12 PERA reduction	(10,161)	(10,136)	(25)	0.0
1.5 percent vacancy savings	(7,288)	(7,270)	(18)	0.0
1.0 percent General Fund reduction	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$463,442</b>	<b>\$462,289</b>	<b>\$1,153</b>	<b>4.8</b>

**Operating Expenses**

The Department requests an appropriation of \$19,496 reappropriated funds for FY 2011-12. **Staff recommends an appropriation of \$19,478 reappropriated funds** for this line item. Staff's recommendation does not include the \$18 that was requested for the printing of statewide warrants and mainframe documents, because the Committee already voted to not fund this request.

**Legal Services**

The Department requests, and staff recommends, a continuation appropriation of 330 hours of legal services. The fund source will be General Fund, but **the actual dollar amount is pending the Committee's approval of a statewide common policy for legal services rates.** Staff requests permission to apply the Committee's common policy once it has been determined.

**(B) INDEPENDENT ETHICS COMMISSION**

The Independent Ethics Commission (IEC) is a Constitutionally-created independent commission charged with the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The purpose of the IEC is to: (1) hear complaints, issue findings, and assess penalties for certain cases; (2) to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution; and (3) to issue advisory opinions on any other standards of conduct and reporting requirements as provided by law.

In 2010, H.B. 10-1404 transferred the IEC from the Department of Personnel and Administration to the Judicial Department. It is referenced in this narrative for informational purposes only, to explain why the Department of Personnel and Administration's numbers pages reflect a \$0 appropriation for the IEC's three line items for FY 2011-12. The appropriations for these purposes are not reflected in the Judicial Department's FY 2011-12 Long Bill.

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**(4) CENTRAL SERVICES**

This division is responsible for providing statewide support services such as mail services, document management, fleet management, and facilities maintenance.

**(A) ADMINISTRATION**

The Administration section provides services such as management, human resources, accounting, and marketing. It also includes the State Travel Management program, which coordinates and oversees state employee travel.

Central Services, Administration: Staff Summary					
Position	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.
General Professional	3.0	2.6	4.0	4.0	4.0
Support / Clerical	2.1	2.9	2.9	2.9	2.9
Accounting / Budgeting	2.0	1.9	1.9	1.9	1.9
Director / Management	<u>1.6</u>	<u>2.0</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
<b>Total</b>	<b>8.7</b>	<b>9.4</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

**Personal Services**

The Department requests an appropriation of \$734,551 reappropriated funds and 10.0 FTE. **Staff recommends an appropriation of \$723,273 reappropriated funds and 10.0 FTE for FY 2011-12.** Staff's recommendation is based on the FY 2010-11 Long Bill, and makes the following adjustments:

(1) annualizes the 2.5 percent PERA contribution reduction (\$2,043 increase); and (2) applied the 1.5 percent vacancy savings reduction (\$11,278 decrease). The reappropriated funds source is the Department of Personnel Revolving Fund.

**Operating Expenses**

The Department requests an appropriation of \$77,464 reappropriated funds for this line item. This amount includes \$37 for the printing of statewide warrants and mainframe documents, which the Committee has decided to not fund for FY 2011-12. **Staff recommends an appropriation of \$77,427 reappropriated funds for FY 2011-12.** The reappropriated funds sources are the Department of Personnel Revolving Fund (see Section 24-30-1108 (1), C.R.S.), and the Motor Fleet Management Fund (see Section 24-30-1115 (1), C.R.S.).

The line item's appropriation has not changed since FY 2005-06, and the actuals in the numbers pages are \$67,400 for FY 2008-09 and \$41,033 for FY 2009-10. At first glance it appears that the line item may be over appropriated. The following table reflects the line item's actual expenditures since FY 2005-06. Staff recommends the requested appropriation for FY 2011-12 because it appears that FY 2009-10's reversion is an exception to the line item's expenditures history.

<b>Division of Central Services, Administration: Operating Expenses</b>				
	<b>Appropriation</b>	<b>Actual</b>	<b>Reversion</b>	<b>% Reversion</b>
FY 2005-06	\$77,427	\$77,411	\$16	0.0%
FY 2006-07	77,427	70,832	6,595	8.5%
FY 2007-08	77,427	75,851	1,576	2.0%
FY 2008-09	77,427	67,400	10,027	13.0%
FY 2009-10	77,427	41,033	36,394	47.0%

**Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$115,630 reappropriated funds for FY 2011-12.** This amount is consistent with the statewide indirect cost recovery plan.

**(B) INTEGRATED DOCUMENT SOLUTIONS**

The Integrated Document Solutions (IDS) contains three subsections: (1) Reprographics Services; (2) Document Solutions Group; and (3) Mail Services. These subsections provide services such as graphic design, print operations, data entry, imaging services, and mail operations. The division has facilities in Pueblo and Denver, and it serves state agencies, institutions of higher education, and local governments. The IDS is funded by the Department of Personnel Revolving Fund, which is comprised of revenue from user agencies (Section 24-30-1108 (1), C.R.S.).

**(1) REPROGRAPHICS SERVICES**

Pursuant to Section 24-30-1104, C.R.S., the Reprographics Services section specializes in comprehensive commercial and graphic art services, offset printing, and high volume digitalized copying. It also manages the rental of office copiers for low volume operations to other State agencies.

<b>Central Services, Reprographics Services: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Production	11.0	10.9	10.9	10.9	10.9
General Professional	0.0	2.1	3.5	3.5	3.5
Arts Professional	3.2	3.1	3.1	3.1	3.1
General Professional / Manager	1.3	0.8	0.8	0.8	0.8
Support / Clerical	<u>3.8</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>
<b>Total</b>	<b>19.3</b>	<b>19.2</b>	<b>20.6</b>	<b>20.6</b>	<b>20.6</b>

Please note: Due to rounding, the FY 2009-10 total is 0.1 FTE less than is reflected in the numbers pages.

**Personal Services**

The Department requests an appropriation of \$1,167,260 (\$55,454 cash funds and \$1,111,806 reappropriated funds) and 20.6 FTE for FY 2011-12. The cash funds are generated from a contract to provide services for the City and County of Denver, and the reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). **Staff recommends an appropriation of \$1,040,502 (\$48,523 cash funds and \$991,979 reappropriated funds) and 20.6 FTE for FY 2011-12.** The primary difference between the Department's request and staff's recommendation is because the Department requested contingency spending authority calculated as 20.0 percent of the line item's base appropriation. Staff's recommendation calculated the contingency spending authority as 5.0 percent of the base appropriation. Additionally, staff applied a 1.5 percent vacancy savings reduction pursuant to Committee common policy. Staff's calculations are detailed in the following table.

<b>FY 2011-12 Recommendation: Reprographics Services, Personal Services</b>				
<b>Item</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$1,959,016</b>	<b>\$0</b>	<b>\$1,959,016</b>	<b>20.6</b>
Supp. to true-up contingency funds and cash funds for new Denver contract	(931,724)	24,261	(955,985)	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$1,027,292</b>	<b>\$24,261</b>	<b>\$1,003,031</b>	<b>20.6</b>
Annualize cash funds for new Denver contract	23,106	23,106	0	0.0
Restore FY 2010-11 PERA contribution reduction	22,415	0	22,415	0.0
Back-out FY 2010-11 5.0 percent contingency funds	(48,918)	(1,155)	(47,763)	0.0
<b>FY 2011-12 Base Request</b>	<b>\$1,023,895</b>	<b>\$46,212</b>	<b>\$977,683</b>	<b>20.6</b>
2.5 percent PERA reduction for FY 2011-12	(17,583)	0	(17,583)	0.0
1.5 percent vacancy savings <sup>1/</sup>	(15,358)	0	(15,358)	0.0
<b>FY 2011-12 Base Request for Contingency</b>	<b>\$990,954</b>	<b>\$46,212</b>	<b>\$944,742</b>	<b>20.6</b>
5.0 percent contingency funds	<u>49,548</u>	<u>2,311</u>	<u>47,237</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$1,040,502</b>	<b>\$48,523</b>	<b>\$991,979</b>	<b>20.6</b>
1/ Staff excluded the 5.0 percent contingency funds from the 1.5 percent vacancy savings calculation.				

### **Operating Expenses**

The Department requests an appropriation of \$4,066,474 (\$141,754 cash funds and \$3,924,720 reappropriated funds) for FY 2011-12. **Staff recommends a total appropriation of \$3,686,919 (\$124,035 cash funds and \$3,562,884 reappropriated funds) for FY 2011-12.** The cash funds are generated through a contract with the City and County of Denver, and the reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The primary difference between the Department's request and staff's recommendation is because the Department requested contingency spending authority at 20.0 percent of the base appropriation, and staff recommends that the contingency funds be calculated as 5.0 percent of the base appropriation. Staff's calculations are included in the following table.

<b>FY 2011-12 Recommendation: Reprographics Services, Operating Expenses</b>			
	<b>Total</b>	<b>Cash Funds</b>	<b>Reapp. Funds</b>
<b>FY 2010-11 Long Bill</b>	<b>\$5,275,909</b>	<b>\$0</b>	<b>\$5,275,909</b>
True-up contingency funds and cash funds for new Denver contract	(1,657,006)	62,017	(1,719,023)
<b>Current FY 2010-11 Appropriation</b>	<b>\$3,618,903</b>	<b>\$62,017</b>	<b>\$3,556,886</b>
Annualize cash funds for Denver contract	59,065	59,065	0
NP-1: Dept of Ag Brand Board	5,713	0	5,713
Back-out prior year contingency funds	(172,329)	(2,953)	(169,376)
<b>FY 2011-12 Base for Contingency</b>	<b>\$3,511,352</b>	<b>\$118,129</b>	<b>\$3,393,223</b>
5.0 percent contingency funds	<u>175,567</u>	<u>5,906</u>	<u>169,661</u>
<b>FY 2011-12 Recommendation</b>	<b>\$3,686,919</b>	<b>\$124,035</b>	<b>\$3,562,884</b>

**Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$158,482 reappropriated funds for this line item for FY 2011-12.** This appropriation is consistent with the Committee's approval of the statewide indirect cost recovery plan.

**(B) INTEGRATED DOCUMENT SOLUTIONS**

**(2) DOCUMENT SOLUTIONS GROUP**

This section offers state agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation, and image storage. According to the Department, its scanning costs are up to 60.0 percent less than those provided by private entities. Please note that for the Document Solutions Group, staff's recommendations increase the contingency spending authority from 5.0 percent of the base appropriation for FY 2010-11 to **10.0 percent of the base appropriation for FY 2011-12.**

<b>Central Services, Document Solutions Group: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Data Entry	47.1	39.6	42.0	42.0	42.0
Production	5.8	3.0	3.0	3.0	3.0
Support /Clerical	4.1	2.2	2.2	2.2	2.2
Information Tech.	0.2	1.5	1.5	1.5	1.5
General Professional/ Management	<u>1.2</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
<b>Total</b>	<b>58.4</b>	<b>47.8</b>	<b>50.2</b>	<b>50.2</b>	<b>50.2</b>

**Personal Services**

The Department requests \$4,006,554 (\$42,969 cash funds and \$3,963,585 reappropriated funds) and 50.2 FTE for the Document Solutions Group's Personal Services line item. The cash funds are user fees from non-state agencies, and the reappropriated funds source is payments from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.).

**Staff recommends a total appropriation of \$3,559,108 (\$44,338 cash funds and \$3,514,770 reappropriated funds) and 50.2 FTE.** The primary difference between the Department's request and staff's recommendation is because the Department requested contingency spending authority equal to 20.0 percent of its base appropriation, and staff recommends contingency spending authority calculated as 10.0 percent of the base appropriation. Staff's recommendation also applies the 1.5 percent vacancy savings reduction, pursuant to Committee common policy. Staff's calculations are included in the following table.

<b>FY 2011-12 Recommendation: Document Solutions Group, Personal Services</b>				
<b>Item</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$4,494,483</b>	<b>\$42,899</b>	<b>\$4,451,584</b>	<b>50.2</b>
Supp. to true-up contingency funds	(1,066,409)	0	(1,066,409)	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$3,428,074</b>	<b>\$42,899</b>	<b>\$3,385,175</b>	<b>50.2</b>
Restore FY 2010-11 PERA reduction	59,134	437	58,697	0.0
Back-out FY 2010-11 contingency funds	(163,242)	(2,043)	(161,199)	0.0
<b>FY 2011-12 Base Request</b>	<b>\$3,323,966</b>	<b>\$41,293</b>	<b>\$3,282,673</b>	<b>50.2</b>
1.5 percent vacancy savings	(49,859)	(619)	(49,240)	0.0
2.5 percent PERA reduction for FY 2011-12	(38,555)	(367)	(38,188)	0.0
<b>FY 2011-12 Base for Contingency</b>	<b>\$3,235,552</b>	<b>\$40,307</b>	<b>\$3,195,245</b>	<b>50.2</b>
10.0 percent contingency funds	<u>323,556</u>	<u>4,031</u>	<u>319,525</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$3,559,108</b>	<b>\$44,338</b>	<b>\$3,514,770</b>	<b>50.2</b>

**Operating Expenses**

The Department requests an appropriation of \$578,846 reappropriated funds for FY 2011-12. **Staff recommends an appropriation of \$606,216 reappropriated funds for FY 2011-12.** The reappropriated funds source is transfer payments from user agencies that are deposited in the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The primary difference between the Department's request and staff's recommendation is because the Department requests contingency funds in the amount of 20.0 percent of the line item's base appropriation, and staff recommends calculating the contingency spending authority as 10.0 percent of the base appropriation for FY 2011-12. Staff's recommendation does not include \$186 for the statewide printing request. Staff is unable to account for the remaining difference between staff's recommendation and the department's request.



<b>FY 2011-12 Recommendation: Document Solutions Group, Operating Expenses</b>	
<b>Item</b>	<b>Reapprop. Funds</b>
<b>FY 2010-11 Long Bill</b>	<b>\$1,195,620</b>
Supp. reduce contingency funds	(616,960)
<b>FY 2011-12 Base Request</b>	<b>\$578,660</b>
Back-out prior year contingency funds (5.0 percent)	(27,555)
<b>FY 2011-12 Base for Contingency</b>	<b>\$551,105</b>
10.0 percent contingency funds	<u>55,111</u>
<b>FY 2011-12 Recommendation</b>	<b>\$606,216</b>

**Utilities**

This line item supports the utility costs associated with the operations of the Document Solutions Group in Pueblo. **The Department requests, and staff recommends, a continuation appropriation of \$69,000 reappropriated funds for FY 2011-12.** This appropriation amount has remained consistent since FY 2009-10.

**Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$211,542 reappropriated funds for the indirect cost assessment line item for FY 2011-12.** This amount is consistent with the statewide indirect cost recovery plan that was approved by the Committee.

**(B) INTEGRATED DOCUMENT SOLUTIONS**

**(3) MAIL SERVICES**

<b>Central Services, Mail Services: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Equipment Operator	12.8	12.8	12.8	12.8	12.8
Support /Clerical	14.9	13.7	12.6	12.6	12.6
Production	9.1	10.1	10.1	10.1	10.1
General Professional	4.9	5.1	5.1	5.1	5.1
Materials Handler	1.2	1.6	1.6	1.6	1.6
IT Technician	1.5	0.6	0.6	0.6	0.6
Arts Technician	<u>0.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>45.0</b>	<b>43.9</b>	<b>42.8</b>	<b>42.8</b>	<b>42.8</b>

**Personal Services**

The Department requests an appropriation of \$2,478,139 (\$43,013 cash funds and \$2,435,126 reappropriated funds) and 42.8 FTE for FY 2011-12. **Staff recommends \$2,007,657 (\$37,071 cash funds and \$1,970,586 reappropriated funds) and 42.8 FTE for FY 2011-12.** The cash funds are generated through a contract with the City and County of Denver, and the reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The primary difference between the Department's request and staff's recommendation is because the Department requests contingency funds in the amount of 20.0 percent of the line item's base appropriation, and staff recommends calculating the contingency spending authority as 5.0 percent of the base appropriation for FY 2011-12. Staff also applied the 1.5 percent vacancy savings reduction, pursuant to Committee common policy.

Staff's calculations are included in the following table.

<b>FY 2011-12 Recommendation: Mail Services, Personal Services</b>				
<b>Item</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$3,211,639</b>	<b>\$0</b>	<b>\$3,211,639</b>	<b>42.8</b>
True-up contingency funds and cash funds for new Denver contract	(1,220,131)	18,818	(1,238,949)	0.0
<b>Current FY 2010-11 Appropriation</b>	<b>\$1,991,508</b>	<b>\$18,818</b>	<b>\$1,972,690</b>	<b>42.8</b>
Restore FY 2010-11 PERA contribution reduction	35,918	0	35,918	0.0
Annualize new cash funds for Denver contract	17,922	17,922	0	0.0
Back-out FY 2010-11 5.0 percent contingency funds	(94,834)	(896)	(93,938)	0.0
<b>FY 2011-12 Base Request</b>	<b>\$1,950,514</b>	<b>\$35,844</b>	<b>\$1,914,670</b>	<b>42.8</b>
1.5 percent vacancy savings	(29,258)	(538)	(28,720)	0.0
2.5 percent PERA contribution reduction	(9,201)	0	(9,201)	0.0
<b>FY 2011-12 Base for Contingency</b>	<b>\$1,912,055</b>	<b>\$35,306</b>	<b>\$1,876,749</b>	<b>42.8</b>
5.0 percent contingency funds	<u>95,602</u>	<u>1,765</u>	<u>93,837</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$2,007,657</b>	<b>\$37,071</b>	<b>\$1,970,586</b>	<b>42.8</b>

**Operating Expenses**

The Department requests an appropriation of \$9,501,733 (\$86,400 cash funds and \$9,415,333 reappropriated funds) for the Operating Expenses line item for FY 2011-12. **Staff recommends an appropriation of \$8,920,755 (\$75,600 cash funds and \$8,845,155 reappropriated funds) for FY 2011-12.** The cash funds source is a contract with the City and County of Denver, and the

reappropriated funds source is fees from user agencies that are deposited into the Department of Personnel Revolving Fund (Section 24-30-1108 (1), C.R.S.). The difference between the Department's request and staff's recommendation is that the Department calculated the contingency funds at 20.0 percent of the base appropriation, and staff calculated the contingency spending authority as 5.0 percent of the base appropriation.

<b>FY 2011-12 Recommendation: Mail Services, Operating Expenses</b>			
<b>Item</b>	<b>Total</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>
<b>FY 2010-11 Long Bill</b>	<b>\$14,519,620</b>	<b>\$0</b>	<b>\$14,519,620</b>
Supp., true-up contingency funds and cash funds for new Denver contract	(5,636,665)	37,800	(5,674,465)
<b>Current FY 2010-11 Appropriation</b>	<b>\$8,882,955</b>	<b>\$37,800</b>	<b>\$8,845,155</b>
Annualize new cash funds for Denver contract	36,000	36,000	0
Back-out prior year contingency funds	(422,998)	(1,800)	(421,198)
<b>FY 2011-12 Base for Contingency</b>	<b>\$8,495,957</b>	<b>\$72,000</b>	<b>\$8,423,957</b>
5.0 percent contingency funds	<u>424,798</u>	<u>3,600</u>	<u>421,198</u>
<b>FY 2011-12 Recommendation</b>	<b>\$8,920,755</b>	<b>\$75,600</b>	<b>\$8,845,155</b>

**Mail Equipment Upgrade**

This line item funds a five-year lease-purchase agreement (FY 2009-10 through FY 2014-15) for new mail equipment. The new equipment was necessary so that the Department could process the State's mail in a manner that allowed it to still be eligible for cost-reduction opportunities through the United States Parcel Services (USPS). **The Department requests, and staff recommends, a continuation appropriation of \$333,642 (\$156,018 General Fund and \$177,624 reappropriated funds) for FY 2011-12.**

**Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$226,720 reappropriated funds for FY 2011-12.** This recommendation is consistent with the Committee's common policy concerning the statewide indirect cost recovery plan.

**(C) FLEET MANAGEMENT AND MOTOR POOL SERVICES**

State Fleet Management provides oversight for all of the vehicles in the State fleet program. It provides for: (1) vehicle purchasing; (2) management of maintenance, repairs, and preventative services; (3) collision management; (4) vehicle reassignment; (5) fleet monitoring and reporting; and (6) the auction and salvage of older vehicles. This subdivision also operates the State motor pool.

Pursuant to Section 24-30-1104 (2) (c) (II), C.R.S., the Department is to increase the utilization of alternative fuels. Beginning in January, 2010, statute directs the Department to purchase motor vehicles that operate on compressed natural gas, subject to their availability, unless the cost exceeds 10.0 percent more than the cost of a comparable nonflexible fuel vehicle.

If a compressed fuel vehicle is not available, the Department is directed to purchase another type of flexible fuel vehicle or a hybrid vehicle, unless the increased cost is more than 10.0 percent over the cost of a comparable nonflexible fuel vehicle.

**As of January, 2011, the State's fleet included 5,625 vehicles.** Vehicles have two main types of expenses: variable and operating.

- ❑ **Variable costs** are determined by how much the vehicle is used. The average variable *operating cost per vehicle* is \$0.24 per mile (fuel and maintenance only). These costs are typically included in a Department's **Operating Expenses, Program, or Special Purpose** line items.
  
- ❑ **Fixed costs** are the vehicle lease payments and the Department's vehicle management fee. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles, whose leases are for 48 months. The average *fixed cost per mile* is \$0.18 (cost and financing only). Departments are assessed an average vehicle management fee of \$35.50 per vehicle, per month, to fund the State fleet's overhead costs. Fixed costs are reflected in each Department's **Vehicle Lease Payments** line item.

<b>Central Services, Fleet Management Program and Motor Pool Services: Staff Summary</b>					
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2011-12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Approp</b>	<b>Request</b>	<b>Recomm.</b>
Accounting / Support / Clerical	8.0	8.0	8.0	8.0	8.0
Customer Support	2.0	2.0	2.0	2.0	2.0
Equipment Mech.	<u>2.0</u>	<u>1.3</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
<b>Total</b>	<b>12.0</b>	<b>11.3</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

**Personal Services**

**The Department requests \$708,285 reappropriated funds and 14.0 FTE for FY 2011-12.** Staff recommends an appropriation of \$697,050 reappropriated funds and 14.0 FTE for FY 2011-12. This is based on the FY 2010-11 Long Bill and annualizes the 2.5 percent PERA contribution reduction (\$20,227 decrease), and applies a 1.5 percent vacancy savings reduction (\$11,235 decrease). The reappropriated funds are transfers from state agencies that are deposited into the Motor Fleet Management Fund (Section 24-30-1115, C.R.S.).

**Operating Expenses**

The Department requests an appropriation of \$24,131,398 reappropriated funds for FY 2011-12. **Staff recommends an appropriation of \$25,728,564 reappropriated funds for FY 2011-12.** Contingency funds for fuel increases were appropriated for the first time for FY 2009-10, to account for an unanticipated increase up to \$1.00 per gallon. Staff recommends reducing this amount to accommodate an unanticipated increase of \$0.75 per gallon. The following table reflects staff's calculations, which also incorporated updated information from the Department.

<b>FY 2011-12 Fleet Operating Expenses Calculation</b>			
<b>Item</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Difference</b>
Forecasted national fuel price per gallon for FY 2011-12 <sup>1/</sup>	\$2.91	\$3.23	\$0.32
Difference between State and national cost per gallon <sup>2/</sup>	<u>(0.43)</u>	<u>(0.42)</u>	<u>0.01</u>
<b>Projected average cost per mile</b>	<b>\$2.48</b>	<b>\$2.81</b>	<b>\$0.33</b>
Estimated annual miles	69,500,000	71,000,000	1,500,000
Estimated miles per gallon	15.6	15.6	0.0
Estimated annual gallons	<u>4,455,128</u>	<u>4,551,282</u>	<u>96,154</u>
<b>Estimated annual fuel cost</b>	<b>\$11,048,718</b>	<b>\$12,789,103</b>	<b>\$1,740,385</b>
Estimated FY 2010 maintenance cost per mile	\$0.105	\$0.115	\$0.004
<b>Estimated maintenance cost</b>	<b>\$7,297,500</b>	<b>\$8,165,000</b>	<b>\$867,500</b>
Business operating expenses	227,000	125,000	(102,000)
Auction fees	130,000	100,000	(30,000)
Net accidents (@ \$0.14/mile)	<u>973,000</u>	<u>1,136,000</u>	<u>163,000</u>
<b>Base spending authority need</b>	<b>\$19,676,218</b>	<b>\$22,315,103</b>	<b>\$2,638,885</b>
Requested contingency for potential \$0.75 per gallon increase in fuel costs in FY 2011-12 <sup>3/</sup>	<u>\$4,455,128</u>	<u>\$3,413,462</u>	<u>(\$1,041,666)</u>
<b>Total Appropriation Request</b>	<b>\$24,131,346</b>	<b>\$25,728,564</b>	<b>\$1,597,218</b>

1/ U.S. Department of Energy / U.S. Energy Information Administration February, 2011 forecast.  
2/ Adjusts for taxes, diesel, and regional differences.  
3/ Contingency funds were first appropriated for FY 2009-10, at a rate of \$1.00 per gallon for both FY 2009-10 and FY 2010-11. Staff recommends \$0.75 per gallon for FY 2011-12.

- ❑ **Miles per Gallon:** The miles per gallon remained constant despite the increased acquisition of hybrid vehicles because flex fuel vehicles (E85) get approximately 30.0 percent fewer miles per gallon than a vehicle that uses regular fuel. **The low miles per gallon for E85 vehicles offset most efficiencies that are gained by adding hybrids to the State fleet.**

#### **Vehicle Replacement Lease, Purchase, or Lease/Purchase**

This line item includes spending authority for the Department to fund the lease payments for all vehicles in the State's fleet. The vehicle leases vary between 72 and 120 months, although the Colorado State Patrol's vehicles have 48-month lease periods. Once the term of the lease has expired, the department is no longer appropriated funds for this purpose. However, the Department of Personnel and Administration continues to charge a management fee of \$35.50 per month for all vehicles, regardless of whether or not the vehicle has completed its lease term.

**Staff's recommendation is pending until the Committee has finalized its decisions on vehicle replacements and new vehicle purchases for all departments. Staff will present this recommendation during the figure-setting for statewide operating common policies.**

#### **Indirect Cost Assessment**

The Department requests an appropriation of \$614,667 reappropriated funds for this line item. **Staff recommends the department's request for a \$614,667 reappropriated funds appropriation for FY 2011-12**, which is consistent with the Committee's common policy for the statewide indirect cost recovery plan.

#### **(D) FACILITIES MAINTENANCE**

##### **(1) CAPITOL COMPLEX FACILITIES**

The Department of Personnel and Administration operates a facilities maintenance program at three distinct locations: (1) Denver; (2) Grand Junction; and (3) Camp George West. The department is responsible for over 1.2 million square feet throughout the state. Pursuant to Section 24-82-101, C.R.S., the Department is responsible for the maintenance of the buildings' plumbing, electrical, elevator, and HVAC (heating, ventilation, and air conditioning) systems, as well as custodial and grounds maintenance.

(1) *Denver:* The Department maintains ten addresses in what is termed the Capitol Hill Campus, one address in the North Campus, and two addresses in Lakewood. Each of these campuses, though funded by the Capitol Complex program, have distinct rental rates that mirror the locations and uses of the various properties.

(2) *Grand Junction:* The Department maintains a building with 34,499 square feet, which is staffed by 1.0 FTE who is responsible for building maintenance. Other functions, including additional

building maintenance, custodial services, and grounds maintenance are contracted to private vendors.

(3) *Camp George West*: This building contains 285,755 square feet for seven different departments. The Department of Personnel and Administration's responsibilities for the building are inclusive of all site and grounds maintenance.

<b>Central Services, Capitol Complex Facilities: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Structural / Pipe Trades / Material	19.4	20.3	22.3	22.3	22.3
Custodian	11.4	12.0	12.2	12.2	12.2
Support / Clerical	6.6	6.0	6.6	6.6	6.6
Electrician	4.0	3.6	4.0	4.0	4.0
General Professional / Manager	3.7	2.2	3.7	3.7	3.7
Grounds and Nursery	2.8	2.8	3.4	3.4	3.4
Architect	2.0	2.0	2.0	2.0	2.0
Accounting	<u>1.0</u>	<u>0.5</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>50.9</b>	<b>49.4</b>	<b>55.2</b>	<b>55.2</b>	<b>55.2</b>

### **Personal Services**

The Department requests an appropriation of \$2,820,006 reappropriated funds and 55.2 FTE for FY 2011-12. **Staff recommends an appropriation of \$2,776,896 reappropriated funds and 55.2 FTE for FY 2011-12.** The recommendation is based on the FY 2010-11 Long Bill and also annualizes the 2.5 percent PERA contribution reduction (\$11,904 increase), and decreases the appropriation by 1.5 percent to account for the vacancy savings reduction (\$43,110 decrease). The fund source is user fees that are transferred from other State agencies into the Department of Personnel Revolving Fund

### **Operating Expenses**

The Department requests \$1,884,239 reappropriated funds for FY 2011-12. **Staff recommends an appropriation of \$1,884,034 reappropriated funds for FY 2011-12.** Staff's recommendation does not include the Department's request for an additional \$205 for the printing of statewide warrants and mainframe documents, because the Committee already decided to not fund this request. The reappropriated funds source is the Department of Personnel Revolving Fund.

### **Capitol Complex Repairs**

This appropriation supports those Capitol Complex repairs that are not funded in the base operating expenses appropriation, such as routine HVAC repairs in the Capitol Complex. The Department requests an appropriation of \$56,520 reappropriated funds, which is the same amount it has been appropriated since FY 2007-08. The funds represent lease payments transferred from other State agencies located in the Capitol Complex that are deposited into the Department of Personnel Revolving Fund. The line item's prior year appropriations and actual expenditures are very similar, which indicates that there is not an excess appropriation. Staff is unaware of a reason for why the costs to this line item would change for FY 2011-12, and therefore it is reasonable to continue to appropriate the same amount of funds. **Staff recommends that the Committee approve a \$56,520 reappropriated funds appropriation for FY 2011-12.**

### **Capitol Complex Security**

This line item funds a portion of the contract security for the Capitol Complex's Denver campus. The cost is incorporated into the rates that are billed to the tenants in these buildings. The funds are then transferred to the Department of Public Safety, which administers the security contracts. **The Department requests, and staff recommends, an appropriation of \$353,365 reappropriated funds for FY 2011-12.** The reappropriated fund source is the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

### **S.B. 07-86 Fallen Heroes Memorials Construction Fund**

Pursuant to Section 24-80-1402 (1) (a), C.R.S., the Fallen Heroes Memorial Commission is to oversee the construction of memorials near the Colorado Veterans Monument in Lincoln Park to commemorate the lives of Coloradans who died during certain military conflicts.

In accordance with Section 24-80-1402 (3) (a) (II), C.R.S., the Fund's revenue is to be derived from gifts, grants, and donations. These funds had not materialized by the third year of its inception, so staff recommended to not include the moneys in the Long Bill for FY 2010-11. **Staff is not aware that funds have materialized during the prior fiscal year, and therefore staff recommends to continue to not reflect an appropriation for the FY 2011-12 Long Bill.** Staff's intent is to improve the Long Bill's transparency and accuracy. This action **will not impact the Fund's ability to receive funds in the future, nor the General Assembly's ability to appropriate moneys from the Fund once they become available.**

### **Utilities**

This line item funds utilities costs for the Capitol Complex. **The Department requests, and staff recommends, an appropriation of \$3,930,718 reappropriated funds for FY 2011-12.** The reappropriated funds source is fees that are transferred from user agencies who are tenants in the capitol complex buildings.



**Indirect Cost Assessment**

**The Department requests, and staff recommends, an appropriation of \$457,027 reappropriated funds for FY 2011-12.** This recommendation is consistent with the Committee's prior approval of the statewide indirect cost recovery plan.

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**(5) DIVISION OF ACCOUNTS AND CONTROL - CONTROLLER**

**(A) OFFICE OF THE STATE CONTROLLER**

Pursuant to Sections 24-30-201 through 24-30-207, C.R.S., the Office of the State Controller is statutorily charged with managing the financial operations of the State of Colorado. This includes: (1) statewide financial reporting; (2) providing policy and procedural guidance; (3) develop the Statewide Indirect Cost Allocation Plan (SWICAP); (4) operates the state's payroll system; (5) issues warrants; and (6) provides specialized accounting services to other state agencies.

**FY 2011-12 Fund Sources**

This Division is funded with: (1) rebates received from the Procurement Card Program; (2) statewide indirect cost recoveries; (3) cash funds from the Supplier Database Cash Fund; (4) collection fees that are assessed to individuals; (5) indirect cost recoveries transferred from the institutions of higher education; and (6) General Fund.

<b>Division of Accounts and Control, Office of the State Controller: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Controller I - III	8.9	7.5	10.2	11.2	11.2
Accountant I - II	10.9	8.5	11.0	11.0	11.0
General Professional/ Management	15.4	5.1	8.8	10.0	9.8
Accountant III-IV	2.0	1.9	3.0	3.0	3.0
State Controller	1.0	1.0	1.0	1.0	1.0
Auditing	0.0	1.0	1.0	1.0	1.0
Support / Clerical	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>38.9</b>	<b>25.0</b>	<b>35.0</b>	<b>37.2</b>	<b>37.0</b>

## Debt Post Issuance Compliance

### Department Request

The Department requests an additional \$83,544 General Fund and 1.0 FTE to ensure that the State is compliant with requirements by the Internal Revenue Service (IRS) and Securities and Exchange Commission (SEC). Of this amount, \$77,891 General Fund would be expended for personal services, and \$5,653 would be expended for operating costs. The request would annualize to a total appropriation of \$85,022 General Fund for FY 2012-13.

*Please note:* In order to simplify the request's narrative, the Department used the term "debt" to "represent the State's commitment to make future payments in exchange for resources provided at the date of the agreement. In practice, this exchange could take many different forms ranging on the continuum from general-obligation debt (a pledge of the full faith and credit of the State) to a fully collateralized lease in which the creditor has a claim only on the pledged asset(s)." Staff has continued to use the term "debt" for the same purposes in this section of the document.

### Staff Recommendation

**Staff recommends an appropriation of \$75,448 General Fund and 1.0 FTE for the Personal Services line item for FY 2011-12.** The difference between the Department's request and staff's recommendation is because **staff does not recommend the operating expenses** component of the request. Staff also applied the 2.5 percent PERA contribution reduction and 1.0 percent General Fund reduction, pursuant to statewide common policies. A table with staff's calculations is at the end of the "Staff Analysis" section of this request.

### Staff Analysis

- Historically, the State of Colorado has been a small issuer in the municipal finance market, and has had very limited centralized procedures to ensure issuance and post issuance compliance. Over the last several years the State has become a major issuer, but it has not implemented the policies, procedures, and infrastructure necessary to ensure statewide consistency in issuance and post issuance compliance. Staff notes that **both the State Treasurer's Office and the Attorney General's Office support formalization of the post issuance compliance function in the Office of the State Controller.**
  
- Issuance:* The State routinely issues debt through individual state agencies or offices rather than from a centralized debt management office. In many cases, the state employees who are involved do not have the expertise to ensure full

compliance with government finance regulations. Individual agencies may request and receive project-specific statutory authority to issue debt, but they have little or no expertise in public finance and often are unaware of the post issuance responsibilities. The State agencies have become reliant on the other vendors involved in these financing transactions, which may not maximize the State's interests.

- ❑ *Post issuance:* **Post issuance compliance requirements are the mechanism through which the IRS ensures that state and local governments are not violating the rules that govern tax-exempt, tax credit and interest subsidy provisions.** When post-issuance compliance requirements are not met, the IRS is authorized to revoke the tax-exempt status of a borrowing, to deny tax credits to the investor, or to refuse to pay the interest subsidy to the State. The State has covenanted in each lease or debt issuance contract to take all action necessary to ensure that investors benefit from the tax-exempt status of their earnings. The loss of such tax-exempt status or tax-credit status would have negative ramifications for the State.
  
- ❑ *Need:* The Department's request cited several examples of transactions that lasted between six weeks and three months, and required document reviews that encompassed several thousand pages. For FY 2008-09, the Office of the State Controller (OSC) participated in four major issuances that totaled \$1.1 billion. **For FY 2009-10, the OSC's workload grew to 10 issuances of various types totaling in excess of \$1.5 billion.** The complexity and requirements of these financial transactions will increase as the IRS and SEC continue to respond to the 2008 market crash.
  
- ❑ *Operating expenses:* Requests for additional FTE are usually accompanied by requests for an additional appropriation of \$5,653 for the first year, and \$950 for all subsequent years. The FY 2011-12 component of the request includes funds for a new desk, computer, computer software, supplies, a phone base, etc. The \$950 for subsequent years is intended to fund the employee's supplies (\$500) and telephone base (\$450). The Department reduced its FTE during the FY 2009-10 supplemental process, and therefore the Department should have access to excess desks, computers, and other such supplies. **The moneys are not justified simply on the basis that they are standard as part of obtaining new FTE authority.** Given the State's current fiscal situation, departments should be encouraged to utilize existing resources.

Staff's calculations are detailed in the following table.

Debt Issuance Compliance: Department Request vs. Staff Recommendation				
	FY 2011-12		FY 2012-13	
	Request	Recomm.	Request	Recomm.
Personal Services				
Base salary <sup>1/</sup>	\$69,795	\$69,795	\$76,140	\$76,140
PERA	7,084	5,339	7,728	7,728
Medicare	1,012	1,012	1,104	1,104
1.0 percent General Fund reduction	0	(698)	0	0
<i>Total personal services</i>	<i>\$77,891</i>	<i>\$75,448</i>	<i>\$84,972</i>	<i>\$84,972</i>
Operating Expenses	<u>\$5,653</u>	<u>\$0</u>	<u>\$950</u>	<u>\$0</u>
<b>Total request vs. recommendation</b>	<b>\$83,544</b>	<b>\$75,448</b>	<b>\$85,922</b>	<b>\$84,972</b>
Due to the paydate shift, there will be 11 months of salary expenditures for FY 2011-12, and 12 months of salary expenditures for FY 2012-13.				
Staff recommends the Department's request for an additional 1.0 FTE for FY 2011-12.				

**Tax Increase Prevention and Reconciliation Act  
3.0 Percent Withholding Requirement**

**Background**

In January, 2011, the Department submitted a FY 2010-11 supplemental fund request for additional funds and FTE so that the State can comply with the Tax Increase Prevention and Reconciliation Act (TIPRA) of 2005. The Committee approved staff's recommendation to not fund the request because it did not meet supplemental criteria.

**However, at that time staff indicated that there is merit to certain components of the FY 2011-12 portion of the request,** and that these components would be presented at figure-setting.

Beginning in January, 2012, the TIPRA requires government entities to withhold 3.0 percent of all payments for services or property. There are exemptions, such as for certain small state entities and any of their political subdivisions or instrumentalities expending less than \$100.0 million in annual payments for property or services. The withholding requirement applies regardless of how the payment is made.

### **Staff Recommendation**

**Staff recommends an additional \$93,300 General Fund for the Office of the State Controller, Operating Expenses line item.** Staff notes that this amount includes a portion of the moneys requested for FY 2010-11, because staff assumes that the Department postponed the activities until FY 2011-12.

Staff's recommendation incorporates the \$75,483 cash funds appropriation from the Supplier Database Cash Fund to the Office of the State Controller's Personal Services line item to refinance General Fund for FY 2011-12. After this offset, the recommendation has an additional General Fund impact of \$17,817.

### **Staff Analysis**

- ❑ Tax-exempt status is a key determinant to determining which entities are exempt from withholding, but *the State's vendor file does not currently contain the information necessary to make this determination.* It is likely that the Office of the State Controller will have to contact all of the State's vendors (approximately 150,000) and request that they provide IRS documentation that defines their status. The Department provided data to support its estimated mailing costs of **\$67,200** to contact all of the vendors.
  
- ❑ The requirement for withholding on all vendors changes the content and greatly increases the volume of 1099 reporting to both the IRS and to the individual vendors. Unlike the payroll W-2 process, which is funded by individual agencies, the 1099 reporting process will likely have to be funded centrally. As a result, the State must plan for an annual mailing of a much larger volume of 1099 reports. The combined cost of ordering additional forms and mailing them is **\$26,100**. The State must comply with this federal requirement, but the Operating Expenses line item can not absorb these additional expenditures.

### **Personal Services**

The Department requests \$2,798,017 (\$1,373,257 General Fund, \$170,577 cash funds, and \$1,254,183 reappropriated funds) and 38.7 FTE for the Office of the State Controller's Personal Services line item. **Staff recommends \$2,650,250 (\$1,157,792 General Fund, \$222,555 cash funds, and \$1,269,903 reappropriated funds) and 37.0 FTE for FY 2011-12.**

Staff's recommendation includes appropriating the \$75,483 cash funds that the Department initially requested to transfer to the General Fund for FY 2010-11 (from the Supplier Database Cash Fund) to offset General Fund in the Personal Services line item for FY 2011-12.

*Refinance:* Pursuant to Section 24-102-202.5, the purpose of the supplier database vendor fees is to offset the direct and indirect costs of implementing and operating the supplier database. The Office of the State Controller's Personal Services line item provides support functions for the supplier

database, but it does not currently receive a cash funds appropriation to offset these expenses. These support functions fall within the "indirect costs" of implementing the supplier database, and therefore it is reasonable to use excess fund balance in the Supplier Database Cash Fund to offset General Fund in this line item. Staff's recommendation also includes transferring the \$75,483 General Fund to the Operating Expenses line item to fund the majority of the TIPRA request. The following table reflects how staff calculated the recommended appropriation for FY 2011-12.

<b>FY 2011-12 Recommendation: Office of the State Controller, Personal Services</b>					
<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reapprop. Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$2,454,819</b>	<b>\$1,185,016</b>	<b>\$1,089,800</b>	<b>\$180,003</b>	<b>33.0</b>
H.B. 10-1176	114,194	114,194	0	0	1.8
S.B. 10-207	20,900	0	20,900	0	0.2
S.B. 10-143	1,000	0	0	1,000	0.0
H.B. 10-1181	0	0	(464,363)	464,363	0.0
H.B. 10-1404	0	(33,220)	0	33,220	0.0
Offset administrative costs using ARRA funds	(155,258)	(155,258)	0	0	0.0
Statewide supplemental, reduce for warrant stock now billed through user agencies	(16,325)	(16,325)	0	0	0.0
1.0 percent General Fund reduction, FY 2010-11 (includes refinancing from other line items)	(14,802)	(47,495)	0	32,693	0.0
<b>Current FY 2010-11 appropriation</b>	<b>\$2,404,528</b>	<b>\$1,046,912</b>	<b>\$646,337</b>	<b>\$711,279</b>	<b>35.0</b>
Restore General Fund from ARRA fund offset	155,258	155,258	0	0	0.0
Annualize H.B. 10-1176	63,441	63,441	0	0	1.2
Annualize PERA contribution swap, FY 2010-11	57,741	19,120	25,735	12,886	0.0
Restore 1.0 General Fund reduction for FY 2010-11	14,802	47,495	0	(32,693)	0.0
Annualize H.B. 10-1181	0	0	(498,378)	498,378	0.0
Eliminate funds for S.B. 10-207	(20,900)	0	(20,900)	0	(0.2)
Annualize S.B. 10-143	(1,000)	0	0	(1,000)	0.0
<b>FY 2011-12 base appropriation</b>	<b>\$2,673,870</b>	<b>\$1,332,226</b>	<b>\$152,794</b>	<b>\$1,188,850</b>	<b>36.0</b>
Debt issuance & post-issuance compliance	75,448	75,448	0	0	1.0
Appropriate Supplier Database cash funds to offset General Fund	0	(75,483)	75,483	0	0.0
2.5 percent PERA contribution swap	(48,647)	(129,416)	(3,117)	83,886	0.0
1.5 percent vacancy savings reduction	(40,421)	(19,983)	(2,605)	(17,833)	0.0
1.0 percent General Fund reduction	<u>(10,000)</u>	<u>(25,000)</u>	<u>0</u>	<u>15,000</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$2,650,250</b>	<b>\$1,157,792</b>	<b>\$222,555</b>	<b>\$1,269,903</b>	<b>37.0</b>

**Operating Expenses**

The Office of the State Controller requests an appropriation of \$193,000 (\$99,264 General Fund and \$93,736 reappropriated funds) for the Operating Expenses line item. **Staff recommends an appropriation of \$227,068 (\$122,112 General Fund and \$104,956 reappropriated funds).** The difference between the Department's request and staff's recommendation is primarily due to staff's recommendation to fund the FY 2011-12 component of TIPRA, which was not included in the Department's request because it did not receive the FY 2010-11 supplemental appropriation for this item. Staff's calculations are reflected in the following table.

<b>FY 2011-12 Recommendation: Office of the State Controller, Operating Expenses</b>			
<b>Item</b>	<b>Total</b>	<b>General Fund</b>	<b>Reapprop. Funds</b>
<b>FY 2010-11 Long Bill</b>	<b>\$109,956</b>	<b>\$0</b>	<b>\$109,956</b>
H.B. 10-1176	18,522	18,522	0
Use ARRA funds to offset administrative costs	(38,479)	(18,522)	(19,957)
<b>Current FY 2010-11 Appropriation</b>	<b>\$89,999</b>	<b>\$0</b>	<b>\$89,999</b>
Request for TIPRA operating expenses	93,300	93,300	0
Restore funds from ARRA fund offset	38,479	18,522	19,957
Annualize H.B. 10-1176	10,290	10,290	0
1.0 percent operating reduction	<u>(5,000)</u>	<u>0</u>	<u>(5,000)</u>
<b>FY 2011-12 Recommendation</b>	<b>\$227,068</b>	<b>\$122,112</b>	<b>\$104,956</b>

**(B) STATE PURCHASING OFFICE**

The State Purchasing Office manages statewide centralized procurement with duties that include: (1) the promulgation of the State's procurement rules; (2) managing the vendor BIDS system; (3) procurement education; and (4) the administration of Statewide price agreements.

<b>State Purchasing Office: Staff Summary</b>				
<b>Position</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
General Professional III - IV	5.4	5.4	5.4	5.4
General Professional I - II	0.0	4.1	4.1	3.6
Management	1.9	1.9	1.9	1.9
General Professional V - VI	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>	<u>1.6</u>
<b>Total</b>	<b>8.9</b>	<b>13.0</b>	<b>13.0</b>	<b>12.5</b>

### Personal Services

The Department requests an appropriation of \$800,998 cash funds and 13.0 FTE for FY 2011-12.

**Staff recommends an appropriation of \$788,727 cash funds and 12.5 FTE for FY 2011-12.** Staff recommends reducing the appropriation by 0.5 FTE because based on a comparison of the appropriated versus actual FTE authority, this line item is over-appropriated FTE authority. Furthermore, H.B. 10-1181 permitted the institutions of higher education to opt out of the procurement card program, and staff's understanding is that most, and possibly all, of the institutions will do so within the next 12 - 18 months. It is reasonable to anticipate that since the University of Colorado comprised the majority of the procurement card use, staff expects the division's workload to decrease. This adjustment better reflects the distribution of the actual number of FTE within this division. The remaining calculations are included in the following table.

<b>FY 2011-12 Recommendation: State Purchasing Office, Personal Services</b>		
<b>Item</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2010-11 Long Bill</b>	<b>\$794,393</b>	<b>13.0</b>
Offset administrative costs with ARRA funds	(6,593)	0.0
<b>Current FY 2010-11 appropriation</b>	<b>\$787,800</b>	<b>13.0</b>
Annualize PERA contribution adjustment for FY 2010-11	23,647	0.0
Restore funds that were offset with ARRA moneys	6,593	0.0
<b>FY 2011-12 Base Request</b>	<b>\$818,040</b>	<b>13.0</b>
Staff adjustment to true-up FTE	0	(0.5)
PERA contribution adjustment for FY 2011-12	(17,042)	0.0
1.5 percent vacancy savings	<u>(12,271)</u>	<u>0.0</u>
<b>FY 2011-12 Recommendation</b>	<b>\$788,727</b>	<b>12.5</b>

### Operating Expenses

The Department requests \$27,049 cash funds for this line item, of which \$49 is for the statewide printing request. **Staff recommends an appropriation of \$27,000 cash funds for FY 2011-12.** Staff's recommendation is based on the FY 2010-11 Long Bill, and eliminates a one-time appropriation of \$250,000 that was intended to reimburse the federal government for its portion of a signing bonus for the State's procurement card contract that was transferred to the General Fund for FY 2010-11.



**(C) SUPPLIER DATABASE**

This program supports the Bids Information and Distribution System (BIDS), which allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). The Department uses the database to notify the appropriate vendors when the State issues requests for proposals (RFPs) or invites bids for goods or services. Vendors pay annual registration fees to be included in the BIDS database, and these fees are deposited into the Supplier Database Cash Fund. Moneys are appropriated from the Fund to support the program's activities.

Supplier Database Fees	
Time Period	Fee
1995 to September 1997 <sup>a/</sup>	\$25 - \$85
September 1997 to July 1998	\$75
July 1998 to January 2000	\$50
January 2000 to June 2008	\$30
FY 2008-09 to present	\$40
a/ The program charged \$25 for in-state vendors and \$85 for out-of-state vendors.	

Supplier Database: Staff Summary					
Position	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.
General Professional I - II	0.0	0.0	2.3	2.3	2.3
Support / Clerical	1.0	1.0	1.0	1.0	1.0
General Professional III - IV	1.0	0.4	0.4	0.4	0.4
General Professional V - VI	0.3	0.2	0.2	0.2	0.2
Management	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
<b>Total</b>	<b>2.4</b>	<b>1.7</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**Personal Services**

The Department requests an appropriation of \$237,791 cash funds and 4.0 FTE. **Staff recommends an appropriation of \$234,163 cash funds and 4.0 FTE for FY 2011-12.** Staff's recommendation is based on the FY 2010-11 Long Bill, and includes the 1.5 percent vacancy savings reduction (\$3,628 decrease) and annualizes the 2.5 percent PERA contribution reduction (\$2,782 decrease). The cash funds source is the Supplier Database Cash Fund (created pursuant to Section 24-102-202.5 (2), C.R.S.).

### **Operating Expenses**

The Department requests an appropriation of \$1,150,525 cash funds (fund source: Supplier Database Cash Fund). This request is based on the FY 2010-11 Long Bill appropriation, and includes an additional \$15 for the printing of statewide warrants and mainframe documents. The Committee has previously acted to deny the request for funds for statewide printing. Staff notes that the supplemental process increased the FY 2010-11 Long Bill appropriation by \$750,000 for an e-procurement system. However, these one-time funds were not carried forward for FY 2011-12. **Staff recommends an appropriation of \$1,150,510 cash funds for FY 2011-12.**

### **(D) COLLECTIONS SERVICES**

Pursuant to Section 24-30-202.4, C.R.S., Collections Services provides debt collection services for all of the state's agencies and political subdivisions. It collects on referred debt by utilizing tools such as income tax interception, vendor interception, and employment information that is not typically available to private collection agencies. Debt is referred to this office after 30 days, and the office then has up to 180 days to collect the debt or to refer it to a private agency.

<b>Division of Accounts and Control, Collections Services: Staff Summary</b>					
<b>Position</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Approp</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recomm.</b>
Collections Rep	8.0	7.9	9.3	9.3	9.3
Accounting	4.0	4.0	4.0	4.0	4.0
General Professional	4.0	3.7	3.7	3.7	3.7
Support / Clerical	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
<b>Total</b>	<b>19.0</b>	<b>18.6</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

### **Personal Services**

The Department requests an appropriation of \$918,857 cash funds and 20.0 FTE. **Staff recommends an appropriation of \$904,777 cash funds and 20.0 FTE for FY 2011-12.** Staff's recommendation is based on the FY 2010-11 Long Bill, and incorporates changes to annualize the 2.5 percent PERA contribution reduction (annualizes to a \$2,296 increase for FY 2011-12), and the 1.5 percent vacancy savings reduction (\$14,080 decrease). The cash funds source is the Debt Collection Fund (Section 24-30-202.4 (3) (e), C.R.S.).

### **Operating Expenses**

This line item appropriation provides operating funds for the state-operated collections agency. The department requests \$349,085 cash funds, which is the same amount as the FY 2009-10 appropriation. **Staff recommends an appropriation of \$349,085 cash funds for FY 2011-12.** Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the cash funds source is the Debt Collections Fund.

### **Collections of Debts Due to the State**

This line item funds a program that collects taxes and fees that are owed to the State. This money is then transferred to the Department of Revenue to offset tax debt. The Department requests an appropriation of \$20,702 cash funds, which represents a continuation level of funding. **Staff recommends an appropriation of \$20,702 cash funds for FY 2011-12.** Pursuant to Section 24-30-202.4 (3) (e), C.R.S., the cash funds source is the Debt Collections Fund.

### **Private Collection Agency Fees**

This line item funds payments to private collection agencies and out-of-pocket legal expenses that are incurred during the collection of debts owed to the State. The Department requests an appropriation of \$1,105,136 cash funds for FY 2011-12. This request includes a reduction of \$94,864 cash funds due to H.B. 10-1181, which extended the amount of time available for the State to collect debt from 120 days to 180 days, which is anticipated to reduce the debts that are referred to private collection agencies. **Staff recommends an appropriation of \$1,105,136 cash funds for FY 2011-12.** The cash funds source is collection fees that are deposited into the Debt Collections Fund (Section 24-30-202.4 (3) (e), C.R.S.).

### **Indirect Cost Assessment**

The Department requests an appropriation of \$270,124 cash funds for FY 2011-12. **Staff recommends an appropriation of \$270,124 cash funds for FY 2011-12.** This is consistent with the Committee's prior approval of the statewide indirect cost recoveries plan.

## **(6) OFFICE OF ADMINISTRATIVE COURTS**

The Colorado Office of Administrative Courts (OAC) provides an independent administrative law adjudication system for State agencies to resolve cases that concern: (1) worker's compensation; (2) public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); (3) professional licensing board work involving the denial, revocation, suspension or other discipline; (4) teacher dismissal cases; and (5) when a citizen has filed a complaint under the Fair Campaign Practices Act. The OAC operates at three locations: (1) the main office in Denver; (2) the Western Regional Office in Grand Junction; and (4) the Southern Regional office in Colorado Springs. It also provides hearings at other regional locations around the State. The OAC is cash funded through fees from user agencies and non-state entities.

Office of Administrative Courts: Staff Summary					
Position	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Approp	FY 2011-12 Request	FY 2011-12 Recomm.
Administrative Law Judges	18.3	16.9	19.9	19.9	19.9
Technician	10.8	11.5	11.5	11.5	11.5
Support/Clerical	4.0	3.6	3.6	3.6	3.6
General Professional	4.9	3.0	3.0	3.0	3.0
Division Director	1.0	1.0	1.0	1.0	1.0
Safety Security Officer	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total</b>	<b>39.9</b>	<b>37.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>

### Personal Services

The Department requests an appropriation of \$3,247,925 (\$48,186 cash funds and \$3,199,739 reappropriated funds) and 40.0 FTE for FY 2011-12. **Staff recommends an appropriation of \$3,198,184 (\$48,532 cash funds and \$3,149,652 reappropriated funds) and 40.0 FTE for FY 2011-12.** Staff's recommendation is based on the FY 2010-11 Long Bill, annualizes the 2.5 percent PERA contribution reduction (\$11,904 increase), and applies the 1.5 percent vacancy savings reduction (\$43,110 decrease). The main difference between the Department's request and staff's recommendation is because staff applied the 1.5 percent vacancy savings reduction, pursuant to Committee common policy. The cash funds source is fees from non-state agencies, and the source of reappropriated funds is fees from State agencies that are deposited into the Administrative Courts Cash Fund, pursuant to Section 24-30-1001 (3), C.R.S.

### Operating Expenses

The Department requests an appropriation of \$392,946 (\$258,200 cash funds and \$134,746 reappropriated funds) for FY 2011-12. The requested appropriation amount includes an additional \$258,200 cash funds to reimburse the federal government for its portion of the moneys that were included in a separate request to transfer \$1.0 million from the Administrative Courts cash fund to the General Fund for FY 2011-12. Staff does not recommend the requested cash fund transfer, because it is more appropriate to use the excess fund reserve to lower the billings to departments for FY 2011-12. However, if the Committee chooses to transfer the cash funds to the General Fund, the Department will need an appropriation of \$258,200 cash funds as spending authority to repay the federal government. The Department's request also includes \$149 reappropriated funds for the printing of statewide warrants and mainframe documents.

**Staff recommends an appropriation of \$134,597 reappropriated funds for FY 2011-12.** Staff's recommendation does not include: (1) spending authority for the federal reimbursement (\$258,200), or (2) the statewide printing funds (\$149). The Committee has previously decided to not appropriate

moneys for the statewide printing purpose. The reappropriated funds source is fees from other State agencies that are deposited into the Administrative Courts Cash Fund, pursuant to Section 24-30-1001 (3), C.R.S.

**Indirect Cost Assessment**

**The department requests, and staff recommends, and appropriation of \$185,047 reappropriated funds for FY 2011-12.** This amount is consistent with the Committee's approval of the statewide indirect cost recoveries plan.

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### Long Bill Footnotes

Staff recommends that the following footnotes be **discontinued for FY 2011-12**. *Please note* that these footnotes are from the Office of the Governor (7c), the Department of Personnel and Administration (41a), and the Treasury Department (48a). These footnotes were included in last year's figure-setting document because they were part of an add-on to the FY 2010-11 Long Bill. The footnotes provided roll-forward authority, and were necessary only for the first year that the funds were appropriated (FY 2009-10). **They are no longer necessary.**

**7c Department of Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting, Operating Expenses** -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended, may be further rolled forward for expenditure into FY 2010-11 and FY 2011-12.

**41a Department of Personnel and Administration, Executive Director's Office, Department Administration, Personal Services and Operating Expenses; and Statewide Special Purpose, Colorado State Archives, Operating Expenses; Division of Human Resources, Human Resource Services, State Agency Services, Personal Services and Operating Expenses; Constitutionally Independent Entities, Personnel Board, Operating Expenses; Division of Accounts and Control - Controller, Office of the State Controller, Personal Services and Operating Expenses; and State Purchasing Office, Personal Services and Operating Expenses** -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended, may be further rolled forward for expenditure into FY 2010-11 and FY 2011-12.

**48a Department of the Treasury, Administration, Personal Services and Operating Expenses** -- Any cash funds received from indirect cost recoveries from the American Recovery and Reinvestment Act of 2009 not expended, may be further rolled forward for expenditure into FY 2010-11 and FY 2011-12.

Comment: These footnotes were added to the 2010 supplemental bills for the purpose of allowing roll forward spending authority for the American Recovery and Reinvestment Act (ARRA) funds in these three departments. However, a technical error provided roll forward spending authority for one year only. **The Department requests that the footnotes be amended to specify roll forward authority through FY 2011-12.** Staff recommends the Department's request.

## Requests for Information

Staff recommends that the following requests for information be discontinued:

- 46 **Department of Personnel and Administration, Division of Central Services, Facilities Maintenance** -- The Department is requested to provide a report that details the expenditures at the Capitol Complex, Grand Junction, and Camp George West facilities. The report should provide data for the prior three fiscal years, as well as an estimate for the current fiscal year. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
  
- 47 **Department of Personnel and Administration, Division of Central Services** -- The Department is requested to provide a report about its use of the 20.0 percent contingency spending authority that is included in various line items within the Division of Central Services. This report is requested to include a description of the amount of contingency funds that the Department utilized during the prior fiscal year, and for what purpose. The Department is also requested to re-calculate the 20.0 percent contingency according to the updated FY 2011-12 base appropriation. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.