

CHAPTER 8

COMMON POLICY INSTRUCTIONS

8.1 INTRODUCTION

This chapter provides for instructions regarding common policy submissions to the Governor's Office of State Planning and Budgeting (OSPB). Sections 8.2 and 8.3 provide a brief overview of the common policies and key changes that have been incorporated since the prior budget cycle. Sections 8.4 and 8.5 address common policies associated with: a) operating expenses related to services provided by the Department of Personnel & Administration (DPA) and the Governor's Office of Information Technologies (DoIT); and b) salary and benefit changes as requested by the Governor. Section 8.6 outlines the December Total Compensation templates that agencies will need to complete to adjust budgeted amounts for salaries and benefits. Section 8.7 addresses common policies associated with departmental change requests. Finally, Section 8.8 provides a quick reference table for all common policy line items that should be reported on a department's Schedule 8.

8.2 OVERVIEW

Common Policies -- Certain types of budget requests that are common among state departments require a common policy for establishing the requested level of funding. Common policies ensure that the same assumptions are used in developing budget requests. They include such things as legal services, employee compensation and benefits, and operating and capital outlay expenses for new FTE. The Office of State Planning and Budgeting, and in certain circumstances in conjunction with the Department of Personnel and Administration's Division of Central Services, Division of Human Resources, Office of Administrative Courts and Governor's OIT, establishes the common policies for departments to use in developing their base budget and change requests.

Common Policies can be separated into two general categories: operating common policies and personal services related common policies and are described in more detail in the following sections.

8.3 KEY CHANGES FROM PRIOR YEAR'S INSTRUCTIONS

- Beginning with the FY 2009-10 Budget Cycle, any adjustment to common policy line items will require a statewide Change Request, rather than working these budget adjustments into the base budget. The OSPB is making this policy change to ensure that proper documentation is available to the Executive and Legislative branches, and to the public, regarding annual increases or decreases in these appropriations. The Department of Personnel and Administration's Division of Central Services, Division of Human Resources, Office of Administrative Courts and the Governor's OIT will authorize these requests and coordinate each affected agency's Schedule 13.

- The OSPB will no longer require agencies to calculate salary- and benefit-related appropriations for the November 1 Executive Budget submission. Historically, agencies have been required to complete detailed Position-by-Position, POTS, and Health, Life and Dental templates for the OSPB, the results of which were subsequently included in an agency's November 1 base budget. However, these calculations have always been revised, once full compensation survey findings are made available to the Department of Personnel and Administration, which required agencies to perform a second set of detailed Position-by-Position, POTS, and Health, Life and Dental templates (for FY 2008-09, each agency submitted a Stand Alone Budget Amendment for these adjustments). Rather than having each agency perform these calculations twice, the OSPB has made a policy change which will: a) request continuation of existing *policy* for all benefit-related common policies on November 1 based on the prior year, plus annualizations, and b) require agencies to complete the detailed Position-by-Position, POTS, and Health, Life and Dental templates only once each fiscal year as a normal Stand Alone Budget Request Amendment, once the full market survey information is made available to the Department of Personnel and Administration. November 1 budgets will include bottom-line adjustments to these personal services common policy line items, estimated using the August 1 market survey findings, until the final January 23 Stand Alone Budget Amendments can be calculated.
- All requests for operating common policies that reflect either changes in individual agencies' allocations and/or approved General Assembly revisions for other common policies that would be allocated to the Division of Central Services or the Governor's OIT will be requested in a normal January Supplemental / Budget Amendment Request.
- A Schedule 8 will now be required with all common policy requests. Further details regarding common policy calculations can be found in the subsequent sections of this chapter.
- All requests for operating common policies that reflect either revised resources (additional staff, operating funding, reserves balance, etc.) or policy changes at the Department of Personnel and Administration's Division of Central Services or Office of Administrative Courts or the Governor's OIT must be requested in time for the November 1 budget submission. As such, these requests will be due to the OSPB by August 20, shortly after all other Decision Items and Base Reduction Items are due. This is for operating common policies only.
- Leased space inflators, intended to account for the regular increases in leased space rental rates, have historically been included in agencies' base budget requests as common policy adjustments. Beginning with the FY 2009-10 budget cycle, agencies will no longer be able to build these increases into the base budget. Rather, each agency will need to submit a Decision Item for this purpose with a schedule that discloses known future lease rate increases, to provide full transparency for these cost increases. An exception will be made for existing leases which have not yet reached the full term of the current contract agreement; however, once these leases come up for renewal, an agency will need to submit a Decision Item to request future funding changes. If departments outline escalators in these requests

for future fiscal years, departments will be allowed to annualize them as part of their base budgets; otherwise they will have to be re-requested each year through a budget action.

- **Reporting Full-Time Equivalent (FTE)** - If HB 08-1321 is signed into law, the definition of a FTE will be removed from the Long Bill headnotes and relocated into statute. Assuming the bill is enacted, a FTE will be defined as “the budgetary equivalent of one permanent position continuously filled full time for an entire fiscal year by elected State officials or by State employees who are paid for at least 2080 hours per fiscal year, with adjustments made to: include any sick, annual administrative, or other paid leave; excludes any overtime or shift differential payments made in excess of regular or normal hours worked; and excludes any leave payouts upon termination or employment.” As part of this same statutory citation, a FTE is also defined to exclude contractual, temporary, or permanent seasonal positions.

While 24-75-112 (1) (d) (V), C.R.S. (2007) states that a department’s FTE count is not a limitation on the number of FTE that may be employed by the department, it also states that a department cannot make a material change to this FTE count without notifying the Joint Budget Committee.

- **Additional HB 08-1321 Definitions** – With HB 08-1321 signed into law, the following definitions (which are not further described within sections 8.4 and 8.5 of this chapter) have been put into statute and removed from the Long Bill headnotes:
 - **Centralized Appropriation** – may include all POTS (Personal Services common policies) line items and Operating Expenses common policies as outlined in sections 8.4 and 8.5 of these budget instructions which are appropriated in a central administrative program within a department (such as an agency’s Executive Director’s Office), but are then subsequently allocated to individual agency’s programs, Divisions, and/or Long Bill groups.
 - **Lease Purchase** – financing agreements established for the acquisition of equipment over a period greater than one fiscal year
 - **Motor Vehicle** – includes all State fleet vehicles less than or equal to $\frac{3}{4}$ ton. This definition does not represent the same meaning of vehicles defined under 24-30-1102 (6), C.R.S. (2007) which defines “State-owned motor vehicles” as all State owned passenger vehicles, except for those vehicles greater than or equal to 1-ton in the Department of Transportation.
 - **Pueblo Data Entry Center (PDEC) Payments** – the centralized data entry center administered by the Department of Personnel and Administration
 - **Utilities** – funding for water, sewer and electric services, heating fuel, energy efficiency items and other costs associated with purchasing services from energy service companies

8.4 OPERATING EXPENSES COMMON POLICIES

This section details the procedures to request Common Policies established by the Department of Personnel and Administration's Division of Central Services and Office of Administrative Courts and the Governor's OIT in consultation with the OSPB. Beginning with the FY 2009-10 Budget Cycle, any adjustment made to these line items will require a statewide Change Request (as stated in the Key Changes section above). All Change Requests will be authored by the Department of Personnel and Administration or the Governor's OIT. A listing, and short description of all operating common policy line items, can be found at the end of this section. Operating Expenses common policies include funding for materials, supplies, and travel expenses associated with department programs, and are not intended to support personnel costs or obtaining legal services.

For November 1, all agencies will submit continuation funding for all operating common policies for a base budget request. The only adjustment made to this base request will occur if the lead agencies (the Department of Personnel and Administration or the Governor's OIT) determine that a policy change or other non-reallocation of total costs to affected agencies is needed (such as changes in needed resources, contractor costs, or infrastructure items). Otherwise, the lead agencies will submit only one Change Request each year (as a normal Supplemental / Budget Amendment Request for January) to re-allocate funding to all affected agencies based on the most current data for that fiscal year which will include all approved Figure Setting actions for the current year. Largely, this should result in a reduction of the number of Change Requests submitted each year for operating common policies, unless the Department of Personnel and Administration or Governor's OIT request a policy change for November 1.

November 1 Budget Request

If necessary, the Department of Personnel and Administration and the Governor's OIT will submit Change Requests for policy changes or additional resources that are not currently contained in the FY 2009-10 base budget. These Change Requests will disclose the nature of the changes (e.g. increases in staffing or operating resources at the Department of Personnel and Administration or the Governor's OIT, additional program infrastructure, etc.) and will justify all additional dollars needed. The Department of Personnel and Administration's Division of Central Services and the Governor's OIT will be responsible for authoring these requests for an August 1 submission to the OSPB. As part of this process, the authoring entities will communicate the requested changes to the OSPB by August 1, 2008 for general policy approval. The OSPB will provide feedback to the authoring entities by August 10 regarding the proposed policy changes which the Department of Personnel and Administration and Governor's Office of Information Technology will incorporate into the request document. The authoring entities will then disseminate the updated request by August 17, and will include affected agencies' allocations for agency review. *Affected agencies will be required to submit corresponding Schedule 13s to the authoring entities by September 1, 2008 for final consolidation into the statewide request.* As such, the Department of Personnel and Administration's Division of Central Services and Office of Administrative Courts and the Governor's OIT will incorporate each affected agencies' fund split information into the total request to provide a total statewide impact in one all-encompassing document. Each agency will still include the Schedule 13 as part of the budget request as a non-prioritized Decision Item. Operating common policy change

requests are due from the authoring agencies to the OSPB by September 4. *[Note: Final September impacts as a result of these policy changes are subject to change based on the OSPB's evaluation of the final request. However, through the collaborative process between benefiting agencies, the OSPB and the Department of Personnel and Administration and the Governor's OIT, it is anticipated that allocation questions can be resolved and accuracy can be improved in these Statewide requests, before they are evaluated by the OSPB and released to the public.]*

January Supplemental and Budget Request Amendments

The Department of Personnel and Administration's Division of Central Services and Office of Administrative Courts and the Governor's OIT will author Supplemental requests to: a) incorporate as many months of actual data from the current fiscal year to estimate affected agencies' annual utilization; b) include approved General Assembly increases for other common policies that would be allocated to the Division of Central Services, Office of Administrative Courts or the Governor's OIT programs; and c) to true-up prior year's allocated-to-actual costs by agency. Unlike the November 1 submissions outlined above, the authoring entities will communicate requested changes to all affected agencies (*rather than to the OSPB*) by November 4, 2008 and will require that *affected agencies submit a corresponding Schedule 13 for their impact related to the request by November 14. The authoring agencies will be required to submit statewide Supplementals to the OSPB by November 28.* Along with each agency's Schedule 13, the requesting agency should submit an updated Schedule 8.

Descriptions of Operating Common Policies

The following is a list of common policy line items established by the Department of Personnel and Administration (the exception being the common policy for legal services which are provided by the Department of Law):

Administrative Law Judge Services

This item includes funding for the purchase of administrative law judge and paralegal services from the Division of Administrative Hearings within the Department of Personnel and Administration. Costs are allocated to affected agencies based on historical utilization of law judge and paralegal services.

Capitol Complex Leased Space

This item provides funding for payments to the Department of Personnel and Administration for its management of leased space within the Capitol Hill Campus, Camp George West, and the Grand Junction State Building. Agencies are allocated a portion of the total management cost realized by Department of Personnel and Administration based on square footage occupied by each affected agency.

Communications Services

In FY 2003-04, the JBC established the Communications Services common policy. The appropriation for this line item is used for payments to support the statewide secure Digital Trunked Radio system. *Only charges billed to the department by the Governor's OIT should be billed to this appropriation.*

Multi-use Network Payments

The goal of the Multi-use Network (MNT) is to increase telecommunications services and economic development in the State's rural areas. The network provides secure, high-speed broadband access to agencies that elect to utilize this service. Costs experienced by the Division of Information Technologies (DoIT) are allocated to the affected agencies based on the following methodology: a) base costs are determined for each affected agency based on an agency's circuit inventory; b) each agency's base cost is compared relative to the total circuit inventory costs to determine an agency's utilization percentage; c) this utilization percentage is used to allocate the remaining total shared network infrastructure costs.

Note: Departments should charge all MNT billings from the Governor's OIT to the object code 2632 and the MNT line item. Only charges billed to the department by the Governor's OIT should be billed to this object code or line item.

Payments to Risk Management and Property Funds

The State's Risk Management process consists of two programs: the Liability Program and the Property Program. This line item pays for premiums related to these insurance coverages, broker services, third party administration fees, legal services related to these programs, and deductibles.

Purchase of Services from the Computer Center

This item provides funding for payments to the Governor's OIT for its support of the State's Data Center. With this funding, the Governor's OIT provides management and oversight of centralized databases, application and web servers infrastructure support, mainframe computer and tape, disk and printing resources to many State agencies. Costs are allocated to affected agencies based on historical utilization of services.

Statewide Indirect Cost Allocations

Statewide indirect cost allocations are reimbursements made to the General Fund from federal funds, cash funds, or reappropriated funds. The purpose of these reimbursements is to allocate the unbilled costs of central service agencies to individual programs. In most cases, the indirect cost allocation calculations will be used to offset the General Fund appropriation within individual departments that perform centralized activities. Statewide indirect cost allocations are a result of a statewide plan established by the State Controller's Office. Typically, both the statewide and departmental indirect cost allocations consist of a single line item in the Executive Director's Office of each department.

Vehicle Lease Payments

This line item includes the costs agencies experience from vehicle lease-purchase loan payments, plus a small management fee collected by the Department of Personnel and Administration. These costs represent *fixed costs* for State vehicles. Depending on the length of the lease-purchase agreement and the replacement policy for State fleet vehicles, an agency's Vehicle Lease Payments appropriation will need to be adjusted annually.

What is not included in this common policy line item, but is also set by the Department of Personnel and Administration, are the *variable costs* for State fleet vehicles. Variable costs

include the cost of maintenance, fuel, and auto insurance for agency operated vehicles. These costs are funded within an individual department's operating and/or program line items.

Workers' Compensation

This item provides funding for payments made by departments to the Department of Personnel and Administration to support the State's self-insured workers' compensation program. In addition, this line item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). Costs are allocated to affected agencies based on workers' compensation claims.

Legal Services

This category represents the cost of purchasing legal services from the Department of Law. Departments should indicate both the number of legal services hours and the hourly rate used to calculate the appropriation. For FY 2009-10 change requests, departments should continue to use a blended attorney/paralegal rate of \$75.10 per hour (up from 72.03 per hour in FY 2007-08).

8.5 PERSONAL SERVICES COMMON POLICIES

Personal services related common policies (often called "POTS") are the second type of categorical common policies. These common policies relate to expenditures that State agencies experience due to their staffing resources. POTS are centrally appropriated to the departments' Executive Director's Office and are distributed down to departments' Long Bill groups' Personal Services line items. Most of these common policy items are driven by employees' salaries, the only exception being Health, Life and Dental (HLD) insurance. Unlike operating common policies, these costs are experienced at the individual agency level, but are not reflected in the Department of Personnel and Administration's budget.

The following information contains procedures to request funding for Personal Services related common policies for the upcoming budget cycle and a more detailed description of each Personal Services common policy.

August FTE Template

Through annual footnote language, the Joint Budget Committee has requested that OSPB and the Department of Personnel and Administration provide information regarding the utilization of FTE at individual agencies subsequent to each fiscal year close (usually by early September). OSPB intends to continue with this practice and ask that agencies complete the FTE template that will be published by OSPB in early August. Given the revised definition of a "full-time equivalent" resource (assuming HB 08-1321 is enacted) and discrepancies between agencies in interpreting OSPB instruction, OSPB will attempt to provide greater detail in how to report hours and contract costs within the template, to promote more uniform results. *These instructions and the FTE template itself should be made available to agencies no later than August 5, 2008, with completed reports due to OSPB on August 21, 2008.*

November 1 Budget Request

Historically, agencies have been directed to calculate Health, Life and Dental and salary-related benefits twice each fiscal year via the Position-by-Position, POTS, and HLD templates – once in time for the November 1 Budget Request, and again in December to reflect changes in the Total Compensation Market Survey and agencies' filled positions. Going forward, agencies will now only be required to complete the Position-by-Position, POTS, and HLD templates once each fiscal year. For an agency's November 1 base budget submission, funding for continuation of existing policy will be requested, calculated based on percentages identified in the August 1 market survey. Agencies will need to fund split the calculated amounts using current year splits and show the incremental change as a bottom-line adjustment on the Reconciliation and Schedule 3. For example, if the August 1 market survey identifies that medical inflation increases by 10%, agencies will increase their health appropriation by 10% as a bottom-line adjustment. Further instruction for calculating continuation of current policy will be communicated along with the Department of Personnel and Administration's communication of August 1 market survey findings.

If changes in policy for these benefits (e.g. revising the State's share of medical and/or dental contributions; changes in life insurance or short-term disability premiums; or other non-statutory adjustments) are sought, such changes will require a November 1 Decision Item, to be submitted by the Department of Personnel and Administration, by August 22 to the OSPB. If the Department of Personnel and Administration submits such a request, affected agencies will be required to submit a corresponding Schedule 13 for this policy change, with a copy due to the Department of Personnel and Administration by August 15, 2008, prior to the August 22, 2008 Change Request deadline to the OSPB.

For instance, for salary related policy changes, agencies will be required to perform simple calculations based on the seven occupational groups identified in the August 1 market survey, summing total salaries for each occupational group and multiplying said value by the recommended market survey increase percentage. It is not the intent of the OSPB to perform detailed position-by-position calculations until the January 23 Stand Alone Budget Request Amendment timeframe.

January Stand Alone Budget Request Amendment

Once the full market survey information is available to the Department of Personnel and Administration and information and recommendations have been made to employee partnership representatives and the Governor's Office, each agency will need to complete detailed Position-by-Position, POTS, and HLD templates (to be made available by the OSPB by December 1, 2008) and to create a corresponding Schedule 13 to be submitted as part of a statewide total compensation Stand Alone Budget Amendment. These templates and Schedule 13 will be due to the OSPB by December 15, 2008 with a copy of the Schedule 13 sent to the Department of Personnel and Administration at that same time. Along with each agency's Schedule 13 and templates, each agency should submit an updated Schedule 8 to the OSPB. The Department of Personnel and Administration should author a Stand Alone Budget Request Amendment narrative that outlines the basic items incorporated in the request, due to the OSPB by December 19, 2008.

Descriptions of Personal Services Common Policies

The following is a list of line items which contain common policies that relate to employees' salaries and benefits:

Amortization Equalization Disbursement (AED)

During the 2004 legislative session, the General Assembly passed S.B. 04-257, which increased employer payments to the PERA Trust Fund via the AED beginning in January 2006. During the 2005 legislative session, the General Assembly created a separate line item to fund the AED. AED is calculated on all salary components including the Base Salary, Salary Survey, Performance-based Pay and Shift Differential. The following table outlines the current statutory increases for this line item which change on a calendar year basis, and calculates the effective percentage on a fiscal year basis:

Amortization Equalization Disbursement			
Step Increases by Calendar and Fiscal Year (per 24-51-411, C.R.S. (2007))			
January 1, 2006	0.50%	Effective FY 05-06	0.25%
January 1, 2007	1.00%	Effective FY 06-07	0.75%
January 1, 2008	1.40%	Effective FY 07-08	1.20%
January 1, 2009	1.80%	Effective FY 08-09	1.60%
January 1, 2010	2.20%	Effective FY 09-10	2.00%
January 1, 2011	2.60%	Effective FY 10-11	2.40%
January 1, 2012	3.00%	Effective FY 11-12	2.80%
January 1, 2013	3.00%	Effective FY 12-13	3.00%

Supplemental Amortization Equalization Disbursement (SAED)

During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. The supplemental AED began January 2008. Based on Joint Budget Committee actions during the January 28, 2008 Figure Setting session for common policies, the SAED appropriation will include the full amount of the Supplemental Amortization Equalization Disbursement funding, rather than just the incremental increase for the request year. SAED is calculated on all salary components including the Base Salary, Salary Survey, Performance-based Pay and Shift Differential. The following table outlines the current statutory increases for this line item which change on a calendar year basis, and calculates the effective percentage on a fiscal year basis:

Supplemental Amortization Equalization Disbursement			
Step Increases by Calendar and Fiscal Year (per 24-51-411, C.R.S. (2007))			
January 1, 2008	0.50%	Effective FY 2007-08	0.25%
January 1, 2009	1.00%	Effective FY 2008-09	0.75%
January 1, 2010	1.50%	Effective FY 2009-10	1.25%
January 1, 2011	2.00%	Effective FY 2010-11	1.75%
January 1, 2012	2.50%	Effective FY 2011-12	2.25%
January 1, 2013	3.00%	Effective FY 2012-13	2.75%
January 1, 2014	3.00%	Effective FY 2013-14	3.00%

Salary Survey

Salary Survey is equal to the recommended base salary increases for State employees. Often, the percentage increase is relational to private sector salary growth for similar positions / occupational groups, though the General Assembly has approved level increases for all State employees regardless of occupation, or even no increase at all. Working in conjunction with the Department of Personnel and Administration, OSPB considered the recommendations made in the Department of Personnel and Administration's Total Compensation Report, per 24-50-104 (4) (c), C.R.S. (2007), which defines the salary increase percentages to be requested by agencies. A copy of the most recent Total Compensation Report can be found on the Department of Personnel and Administration's website, under the Division of Human Resources. The Department of Personnel and Administration produces this report twice each fiscal year, once in August (as required per statute) and an update in December to provide the most current market information.

Performance-based Pay

The Total Compensation Survey includes recommendations on Performance-based Pay (historically called Performance-based Pay), as required per 24-50-104 (1) (c), C.R.S. (2007). Beginning in FY 2007-08, Performance-based Pay was revised to include two specific components: a) a 1.0% salary increase of all employees that receive an overall rating higher than "needs improvement" to continue an employee through the paygrade of his/her job class (this amount is base-building to an employee's salary); and b) a 2.0% one-time payment for any employee that receives an overall performance rating of "exceptional" (a non base-building pay increase). These percentages are not guaranteed to continue for FY 2009-10 and will be determined once the FY 2009-10 Total Compensation Report is made available.

Shift Differential

Shift differential is the adjustment made to compensate employees for work performed outside the regular Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. To calculate the Shift Differential, departments should request 80.0% of the total actual expenditures in the most recent completed fiscal year, including PERA, Medicare, AED, SAED and STD expenditures related to Shift Differential expenses. Any exemptions from the 80.0% policy will need to be justified to the OSPB on a department-by-department basis.

Please refer to the August 1 Total Compensation Report produced by the Department of Personnel and Administration to determine if any new rate adjustments have been recommended. If rate adjustments are being recommended for any occupational group for which Shift Differential is required, affected departments should submit a Schedule 13 for the ***incremental change only*** (from the 2008-09 Total Compensation Report) in the shift rate as published in the 2009-10 Total Compensation Report.

Short-Term Disability (STD)

Short-Term Disability (STD) is insurance coverage that provides partial payment of an employee's salary in the event that individual becomes disabled and cannot perform his or her work duties. All employees have this employer-paid, payroll-based benefit. STD rates are calculated on a fiscal-year basis.

Health, Life, and Dental (HLD)

Each department's Health, Life, and Dental (HLD) appropriation is designed to cover the State's contribution for the premium on each employee's HLD insurance policy. The State offers four categories of coverage for medical and dental insurance: Employee Only, Employee plus Children, Employee plus Spouse, and Family. The Total Compensation Report includes recommendations on the amount of the State's contribution toward HLD premiums and the associated contributions for each coverage level. This Total Compensation Report is updated twice each year; once for August and again in December.

8.6 CONTENTS OF DECEMBER TOTAL COMPENSATION SUBMISSION

As part of these Common Policy Instructions, the OSPB will send out the following Excel templates no later than December 1, 2008 (to be completed by agencies and submitted to OSPB with a cc to the Department of Personnel and Administration by December 15, 2008):

- A POTS template ("Pots-10 template.xls") This template calculates Salary Survey, Performance-based Pay, Shift Differential, Short-Term Disability, AED, and SAED.
- A Position-by-Position template ("Position-by-Position-10 template.xls"). This template is used to determine filled positions and current salaries to be used in calculating the items in the POTS template.
- A HLD template ("HLD-10 template.xls"). This template calculates the State's share of employees' health, life and dental insurance premiums.

Along with these completed templates, and a corresponding Schedule 13 to reflect these changes in an official budget document, agencies will be required to complete an updated Schedule 8 to document the allocation of these requested compensation items by division. The entire packet of completed documents should be provided to the OSPB Common Policy Analyst. Additionally, a copy of the department's Schedule 13 should be sent to the Department of Personnel and Administration's budget office. Additional information on the Schedule 8 can be found at Section 8.7 of the FY 2009-10 Budget Instructions.

8.7 COMMON POLICIES RELATED TO CHANGE REQUESTS

This section provides direction related to common policies changes necessary for developing change requests.

Personal Services Change Request Common Policies

In any change request requesting new FTE, departments should request the minimum starting base salary amount for each job classification based on the current fiscal year's (FY 2008-09) salary ranges. Medicare is calculated for all employees hired after April 1, 1986, at an amount equal to 1.45% of salary. This amount should be itemized on the FTE sheet in the Change Request template distributed by the OSPB and should be included in the requested amount on the Schedule 13 in the Personal Services line item.

The Public Employee Retirement Association (PERA) amount calculated for all employees is the State's contribution towards an employee's retirement. The amount the State contributes is based on the applicable percentages set by the PERA Board of Trustees, which varies depending on the type of State position, and can be found in the table below. PERA should be calculated only on the employee's base salary. This amount should also be itemized on the FTE sheet in the Change Request template distributed by the OSPB and should be included in the requested amount on the Schedule 13 in the Personal Services line item.

See the following table for past and current PERA contribution percentages by employee type:

Type of State Employee	Fiscal Year and Rate*		
	FY 2007-08	FY 2008-09	FY 2009-10
All State and Public School Employees Except State Troopers and Judicial Personnel	10.15%	10.15%	10.15%
State Troopers	12.85%	12.85%	12.85%
Judicial Employees	13.66%	13.66%	13.66%

**Rates are subject to change by the PERA Board of Trustees and would require legislation to make any revisions to these percentages.*

All benefits related to new FTE (other than PERA and Medicare contributions outlined above) will no longer be calculated within Change Requests. Rather, these additional items will be requested within each department's January Total Compensation Stand Alone Budget Request Amendment since these line items are calculated on a zero-based budgeting process. Line items that will no longer be requested include: Salary Survey, Performance-based Pay, Amortization Equalization Disbursement (AED), Supplemental Amortization Equalization Disbursement (SAED), Short-Term Disability (STD) or Health, Life, and Dental (HLD) insurance.

If an agency requests FTE for the current fiscal year through a Supplemental, benefits related to those FTE will have to be absorbed for the few remaining months of the current fiscal year if the FTE are approved. If these FTE are on-going, benefit costs for subsequent fiscal years will be included in each agencies' January Total Compensation Stand Alone Budget Request Amendment. Please indicate these requested FTE clearly on the templates outlined in Section 8.6.

A sample from the FTE calculation sheet (included in the Change Request template distributed by OSPB) is below. The number of months worked versus the number of months paid will only vary for employees that are funded with General Fund to account for the pay date shift enacted through SB 03-197. This legislation shifted the General Fund payroll obligation for June 30 to July 1, thereby transferring this fiscal obligation to the next fiscal year. Agencies can remove fiscal columns if they are not pertinent to the request.

OSPB Common Policy for FTE Requests				
FTE and Operating Costs				
Fiscal Year(s) of Request		FY 08-09	FY 09-10	FY 10-11
PERSONAL SERVICES	Title:			
Number of PERSONS / class title		0	0	0
Number of months <u>working in</u> FY 08-09, FY 09-10 and FY 10-11		0	0	0
Number months <u>paid in</u> FY 08-09, FY 09-10 and FY 10-11		0	0	0
Calculated FTE per classification		0.00	0.00	0.00
Annual base salary				
Salary		\$0	\$0	\$0
PERA	10.15%	\$0	\$0	\$0
Medicare	1.45%	\$0	\$0	\$0
Subtotal Personal Services at Division Level		\$0	\$0	\$0

Operating Expenses Change Request Common Policies

The following table contains standard operating amounts for common expenses related to FTE and contractors and should only be used for Change Requests. Some requests may not require funding for anything other than the Standard FTE Operating Costs (operating expenses (supplies), telephone base changes, capital outlay for cubicle and chair, desktop computer, office suite software); however, all FTE will require the Standard FTE Operating items. Agencies must manage their resources to function within these amounts.

Expense Category	FY 2008-09	FY 2009-10
<i>Standard FTE Operating Costs</i>		
Operating Expenses (annually)	\$500	\$500
Telephone Base Charges (annually)	\$450	\$450
Capital Outlay for Cubicle and Chair (one-time)	\$3,998	\$3,998
Desktop Computers (one-time)	\$900	\$900
Office Suite Software (one-time)	\$330	\$330
<i>Mileage Reimbursement</i>		
2-wheel drive (90% of IRS rate set at \$0.505 in 2008) per mile	\$0.45	\$0.45
4-wheel drive (95% of IRS rate set at \$0.505 in 2008) per mile	\$0.48	\$0.48
Nautical Mileage Reimbursement for Air Travel per mile	\$0.40	\$0.40
<i>IT Contract Support</i>		
Project Manager (hourly rate)	\$100	\$100
IT Business Analyst (hourly rate)	\$86	\$86
Programmer – Object Oriented (hourly rate)	\$74	\$74
Network Administrator (hourly rate)	\$65	\$65

In addition to the above itemized common FTE and contractor expenses, many agencies will require services that are statutorily mandated to come from the Department of Personnel and Administration (DPA), unless the requesting agency can obtain a waiver from DPA to utilize outside vendors. Given this statutory requirement (found at 24-30-1104, C.R.S. (2007)), each agency is required to work with the Department of Personnel and Administration and/or the Governor's OIT to obtain the appropriate rate for requested services and refer to this information

in its Change Requests. In addition, the Department of Personnel and Administration and Governor's OIT will need to submit a corresponding Schedule 13 for any impact the lead agency's request may have on its budget. As such, agencies must provide this information to the Department of Personnel and Administration and/or the Governor's OIT prior to the August 1 deadline for Decision Items and Base Reduction Items, November 12 for Supplementals, and December 12 for Budget Amendments. Such services include:

- Printing, design, and copying of large volumes;
- Imaging, microfilming, and electronic data warehousing;
- Mail services including postage or letters or packages;
- Fleet vehicles and motor pool needs;
- Data center services (including CPU processing, data storage, server farm and printing); and
- Telecommunication services (including long distance / calling card, private branch exchange (PBX) telephone services, data lines and communications services).

8.8 SCHEDULE 8 – SUMMARIES FOR COMMON POLICIES

The November 1 Executive Budget Request includes a set of summary tables to reflect the distribution of certain common policies. The summary tables for these common policies are collectively referred to as the Schedule 8. The Schedule 8 provides data for two actual years, the estimate year, and the request year by common policy and fund source. It also includes division subtotals and the department total. The schedule for central appropriations should reflect the actual distribution/allocation of funds and should also include a row for unallocated funds to reconcile to the original appropriation. Since the OSPB will not require agencies to include an updated amount for the request year's common policies until January, agencies should only provide a Schedule 8 that outlines actual expenditures through the most completed fiscal year and intended allocations for the current year for November 1, unless there is an August 1 Change Request submitted by the Department of Personnel and Administration or the Governor's OIT for a policy change or new resources (in which case, agencies should show how this would adjust the request year allocations). However, along with the January Total Compensation Budget Request Amendment and Operating Common Policy Supplementals, the OSPB will require agencies to update their Schedule 8 to include revised figures for current and request years.

Please note that not every department will have appropriations in each of the below listed categories. If so, a Schedule 8 entry is not required for those items. However, if the department has an appropriation for any of the following line items **and** the funding for these agencies line items are allocated to benefiting programs outside of the Executive Director's Office, a Schedule 8 entry is required for those lines. The table below indicates all possible common policy items that could be included.

Category	Description
Indirect Costs	Reimbursements from federal funds, other non-State funds, or cash funds for indirect expenses incurred from operating programs. Instructions are released by the State Controller's Office.
Salary Survey and Senior Executive Services	Market based salary increases for the State workforce.
Performance-based Pay	Salary increases for employees based on merit.
Amortization Equalization Disbursement (AED)	The AED is a deduction taken for each employee and paid by the State to PERA. This has been in place since January 1, 2006.
Supplemental Amortization Equalization Disbursement (SAED)	SB 06-235 requires that a percentage of the State's total payroll be paid to PERA annually. This has been in place since January 1, 2008.
Shift Differential	Salary for work performed outside the typical work day schedule.
Health, Life, and Dental	State contributions for employee benefits.
Short-term Disability	Disability insurance premiums that are paid by the State for the employee.
Capitol Complex Leased Space	Leased space rates and amounts for the Capitol Complex.
Vehicle Lease Payments	Payments made to State Fleet Management for the cost of lease purchasing and administering the State fleet of motor vehicles.
Multiuse Network Payments (MNT)	Payments for statewide multiuse network operations and services for internet access.
Purchase of Services from Computer Center	Automated data processing services from the General Government Computer Center within the Department of Personnel and Administration
Communication Services	Payments for statewide digital trunked radio systems for secure communication operations
Legal Services	Purchase of legal services from the Department of Law
Administrative Law Judge Services	Purchase of administrative law judge services from the Division of Administrative Hearings at the Department of Personnel and Administration
Payments to Risk Management and Property Funds	Insurance premiums calculated by the Department of Personnel and Administration
Workers' Compensation	Insurance premiums calculated by the Department of Personnel and Administration. This common policy line item also funds the Colorado State Employee Assistance Program (C-SEAP).

The following table displays a sample template for the Schedule 8. The OSPB requires that agencies use this format when communicating this information. It is important to note that departments only need to provide information for common policy line items that are allocated

across multiple divisions and/or Long Bill groups, and that the FY 2009-10 allocation does not need to be completed if there are no changes to the November 1 Base Budget.

Department of: Sample Executive Agency										
Schedule 8										
Fiscal Year	Total Funds	General Fund	Cash Funds	HUTF	Cash Funds Exempt	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund
Common Policy Item Name #1										
FY 2006-07										
Long Bill Group #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Under)/Over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2007-08										
Long Bill Group #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Under)/Over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2008-09										
Long Bill Group #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Under)/Over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY 2009-10 (if there is a change from the base request)										
Long Bill Group #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Bill Group #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Under)/Over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0