Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09

Request Title: Human Resource Staff
Department: Human Services
Priority Number: 5

Dept. Approval by: Reginald Jeffers **Date:** 10/17/07
OSPB Approval: [signature] **Date:** 10/25/07

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	**Total**	6,271,131	7,727,074	0	7,727,074	9,917,149	244,428	10,161,577	0	10,161,577	238,186
	FTE	0.0	0.0	0.0	0.0	0.0	5.0	5.0	0.0	5.0	5.0
	GF	2,671,560	3,559,899	0	3,559,899	4,893,522	91,371	4,984,893	0	4,984,893	92,416
	CF	207,093	250,100	0	250,100	241,921	7,817	249,738	0	249,738	7,384
	CFE	1,072,755	1,357,846	0	1,357,846	1,917,851	37,618	1,955,469	0	1,955,469	37,634
	FF	2,319,723	2,559,229	0	2,559,229	2,863,855	107,622	2,971,477	0	2,971,477	100,752
	MCF	968,616	1,174,196	0	1,174,196	1,691,363	32,915	1,724,278	0	1,724,278	33,231
	MGF	484,151	584,066	0	584,066	844,902	16,457	861,359	0	861,359	16,616
	NGF	3,155,711	4,143,965	0	4,143,965	5,738,424	107,828	5,846,252	0	5,846,252	109,032
(1) Executive Director's Office	**Total**	4,772,638	4,613,062	0	4,613,062	4,799,792	239,636	5,039,428	0	5,039,428	233,903
	FTE	0.0	0.0	0.0	0.0	0.0	5.0	5.0	0.0	5.0	5.0
(B) Special Purpose	**GF**	1,775,387	1,682,777	0	1,682,777	1,757,469	89,512	1,846,981	0	1,846,981	90,754
Office of Performance	**CF**	169,041	171,124	0	171,124	174,859	7,669	182,528	0	182,528	7,251
Improvement	**CFE**	757,434	730,765	0	730,765	760,642	36,860	797,502	0	797,502	36,957
	FF	2,070,776	2,028,396	0	2,028,396	2,106,822	105,595	2,212,417	0	2,212,417	98,941
	MCF	670,136	642,044	0	642,044	668,933	32,245	701,178	0	701,178	32,633
	MGF	335,068	321,022	0	321,022	334,467	16,122	350,589	0	350,589	16,317
	NGF	2,110,455	2,003,799	0	2,003,799	2,091,936	105,634	2,197,570	0	2,197,570	107,071
(1) Executive Director's Office	**Total**	1,498,493	2,631,937	0	2,631,937	3,875,868	3,263	3,879,131	0	3,879,131	3,263
(A) General Administration	**FTE**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
S.B.04-257 Amortization	**GF**	896,173	1,592,902	0	1,592,902	2,372,913	1,266	2,374,179	0	2,374,179	1,266
Equalization	**CF**	38,052	65,360	0	65,360	51,179	101	51,280	0	51,280	101
Disbursement	**CFE**	315,321	531,031	0	531,031	876,399	516	876,915	0	876,915	516
	FF	248,947	442,644	0	442,644	575,377	1,380	576,757	0	576,757	1,380
	MCF	298,480	450,698	0	450,698	774,253	456	774,709	0	774,709	456
	MGF	149,083	224,919	0	224,919	386,484	228	386,712	0	386,712	228
	NGF	1,045,256	1,817,821	0	1,817,821	2,759,397	1,494	2,760,891	0	2,760,891	1,494

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ **Base Reduction Item FY 08-09** ☐ **Supplemental FY 07-08** ☐ **Budget Request Amendment FY 08-09** ☐

Request Title: Human Resource Staff
Department: Human Services
Priority Number: 5

Dept. Approval by: **Date:**
OSPB Approval: **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
(1) Executive Director's Office (A) General Administration	Total	0	482,075	0	482,075	1,241,489	1,529	1,243,018	0	1,243,018	1,020
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
S.B. 06-235 Supplemental Amortization Equalization Disbursement	GF	0	284,220	0	284,220	763,140	593	763,733	0	763,733	396
	CF	0	13,616	0	13,616	15,883	47	15,930	0	15,930	32
	CFE	0	96,050	0	96,050	280,810	242	281,052	0	281,052	161
	FF	0	88,189	0	88,189	181,656	647	182,303	0	182,303	431
	MCF	0	81,454	0	81,454	248,177	214	248,391	0	248,391	142
	MGF	0	38,125	0	38,125	123,951	107	124,058	0	124,058	71
	NGF	0	322,345	0	322,345	887,091	700	887,791	0	887,791	467

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name:
IT Request: Yes ☐ No
Request Affects Other Departments: ☑ Yes ☐ No **If Yes, List Other Departments Here:** Health Care Policy and Financing

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Human Services
Priority Number:	5
Change Request Title:	Human Resources (HR) Staff

SELECT ONE (click on box):

☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for $244,428 for five additional human resources staff to ensure the Colorado Department of Human Services (CDHS) fulfills its core functioning operations through timely and effective hiring and retention of talent thus complying with federal and state statutory requirements to design and deliver high quality human services that help individuals, families and communities to be safe and independent.

Background and Appropriation History:

Human Resources is part of the line item for the Office of Performance Improvement. In FY 2003-2004, Human Resources staff was reduced from 40 to 33 positions, or 18%. As the state budget has improved, FTE numbers in CDHS have also increased, resulting in the need for additional hires. However, the human resources staff has not increased correspondingly. Below is a summary of the growth of the department over the last 4 years (from the Long Bill authorized FTE):

Fiscal Year	Number of FTE in Department	Percent of Growth in Department	Number of Human Resources Specialist
FY 03-04	4526.7		12
FY 04-05	5197.3	15%	12
FY 05-06	5332.2	2.5%	12
FY 06-07	5431.5	1.9%	12

General Description of Request:

The Human Resources division serves all the employees of CDHS in supporting efforts to optimize staff effectiveness in work units throughout the Department. Functions performed by the Human Resources unit include hiring, position classification, consultation on all personnel issues, planning and administering testing, as well as guiding and mentoring on federal and State issues affecting employee relations, employee training, and management/employee development. A Delegation Agreement between the Colorado Department of Personnel and Administration and CDHS mandates that state personnel actions must be performed by certified human resources specialists. Currently, CDHS has only twelve human resources specialists to perform more than 2900 required personnel actions each year.

This decision item reflects a continued need for additional human resources staff, and is driven primarily by changes in the nature and depth of the work the staff performs to support the Department's mission to serve the most vulnerable of the State's population.

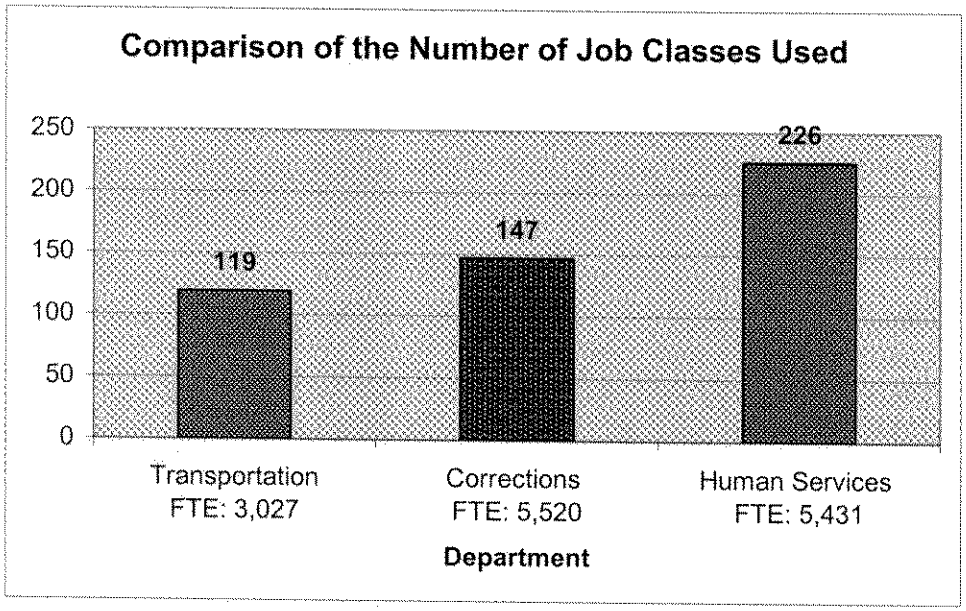
In FY 2003-2004, the department's Human Resources staff was reduced from 40 to 33 positions, a decrease of 18%. In an attempt to maintain an acceptable level of responsiveness to the workload demands inherent in discharging the duties within the human resources arena, the unit has utilized technology and has re-engineered processes wherever practical to increase efficiencies and improve the response time in addressing the Department's human resources needs.

According to data gathered from other state agencies, CDHS has the largest human resources workload of any Department in state government and could well be viewed as the most complex, with over 5,700 employees in 226 different job classes across Colorado (Note: Although CDHS is allocated 5,431 FTE, there are 5,704 employees as one FTE can be split between several part-time employees). The classes range from entry-level positions, such as dining services, custodial services, security officers, client care aides to professional level management positions, such as the recently filled Director at the Colorado Mental Health Institute at Pueblo and the TBI Director at Fort Logan. By comparison, the Colorado Department of Corrections has a greater number of FTE (5,520) and uses only 147 job classes and the Colorado Department of Transportation has

3,027 FTE and uses only 119 job classes. (Data from the "State of Colorado Workforce Report 2005-2006" compiled by DPA.)

This issue of CDHS having a significantly higher number of job classes is a critical one as this translates into a greater number of different jobs. Different job classes have specific minimum qualifications and require separate and distinct hiring processes – exam development, one or more test assessments (i.e., in basket assignment, oral panel, role-playing, etc.), referrals – which is a time consuming process.

The graph below provides a comparison of the number of job classes used by the Colorado Department of Corrections, Colorado Department of Transportation and CDHS.

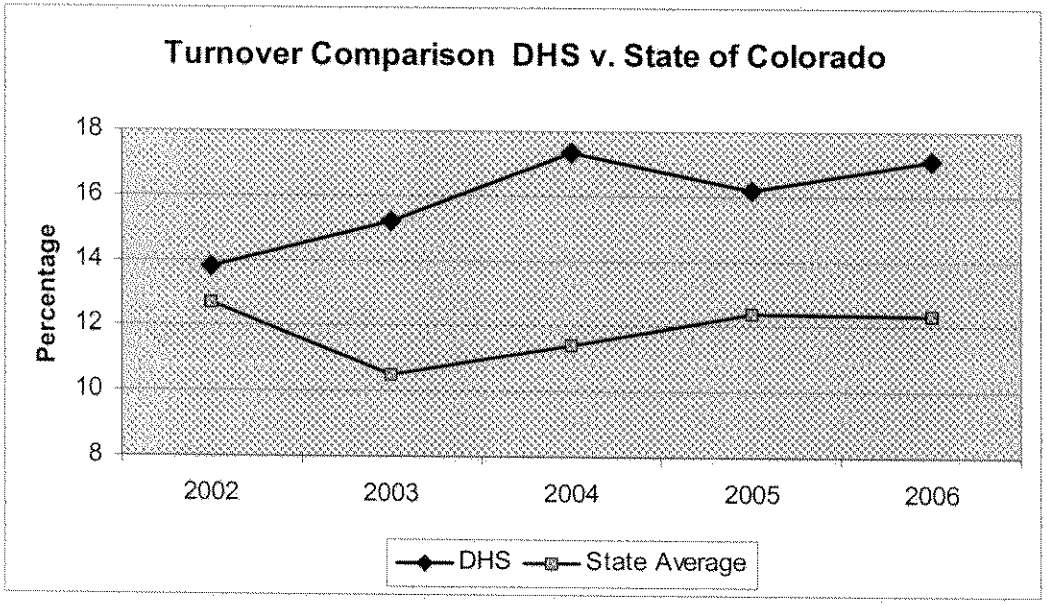


Moreover, the average turnover rate for CDHS is 16%, the highest of any large state department, according to the "State of Colorado Workforce Report 2005-2006" compiled by DPA. The report did not analyze the reason for the high turnover rate. Causes may include the complex nature of human services work and the use of many entry-level job classes to staff direct care facilities around the clock. As a result of this turnover, associated personnel actions that must be processed by certified human resources specialists to support the department's staffing needs has increased, averaging 2,954 actions per year. Regardless of the increase in the number of positions to be processed, the unit must maintain a base level of support to the organizational units it serves, and the exhaustive workloads can be tied to the 40% turnover in human resources staff witnessed within the last two calendar years. CDHS human resources professionals leave the Department to work at agencies with greater balance in workloads.

CDHS Turnover Rate versus Statewide Average

from the "State of Colorado Workforce Report 2005-2006" compiled by DPA

	2002	2003	2004	2005	2006
DHS	13.80%	15.20%	17.30%	16.20%	17.10%
State Average	12.70%	10.50%	11.40%	12.40%	12.30%



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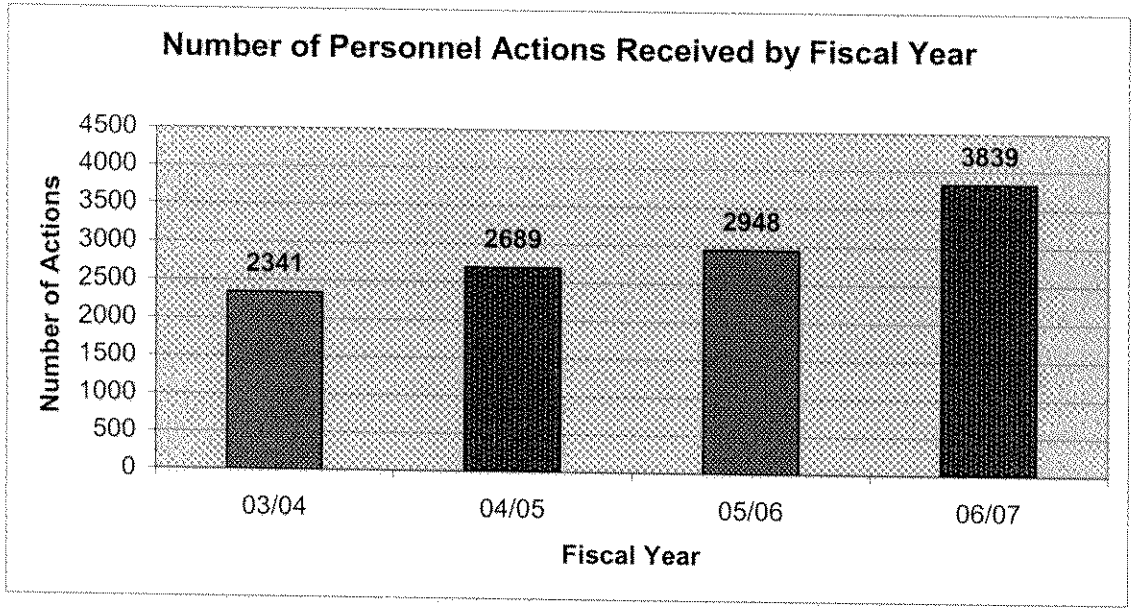
Total number of personnel actions received to fill positions.

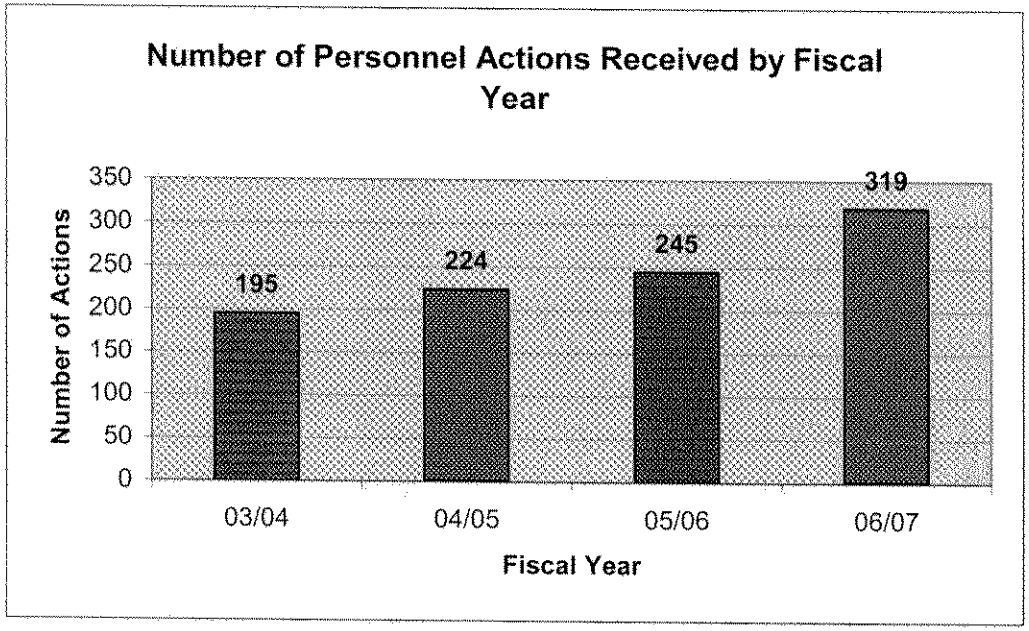


FY 03/04 2341 personnel actions were received for processing.
FY 04/05 2689 personnel actions were received for processing, a **15% increase** from prior year.
FY 05/06 2948 personnel actions were received for processing, a **10% increase** from prior year.
FY 06/07 3839 personnel actions were received for processing, a **30% increase** from prior year.

The average number of personnel actions received for the four years listed above is 2954 actions per year.

Data compiled from the CDHS HR2 Tracking Log extract on 7/03/2007.

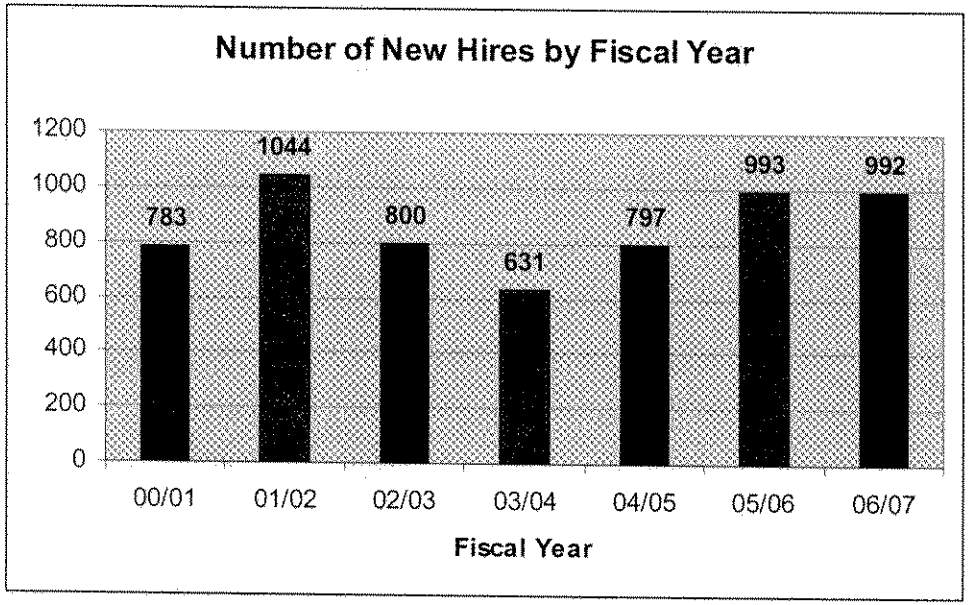
Analysis of workload per Specialist (12 FTE):



FY 03/04 received 2341 personnel actions = 195 actions per specialist.
FY 04/05 received 2689 personnel actions = 224 actions per specialist, a **15% increase** from prior year.
FY 05/06 received 2948 personnel actions = 245 actions per specialist, a **10% increase** from prior year.
FY 06/07 received 3839 personnel actions = 319 actions per specialist, a **30% increase** from prior year.

Actions include: Create new position, voluntary and disciplinary demotion, open competitive selection process, promotional, reappointment of eligible employees, reinstatement of eligible employees, S position (special service), temporary positions, reemployment for laid off employees, transfers (within CDHS and from other state departments) and reclassify/reallocate encumbered and vacant positions.

Total number of new hires (open competitive):



2000-2001 783 new hires
2001-2002 1044 new hires (Fitzsimons Nursing Home opened October 2002.)
2002-2003 800 new hires (Hiring Freeze from March 2002 through June 2003)
2003-2004 631 new hires
2004-2005 797 new hires
2005-2006 993 new hires
2006-2007 1757 requests have been received to fill positions through the open competitive process. 992 employees have already been hired, leaving 730 requests received but not completed. 35 requests have been cancelled. Data compiled from HR2 Log extract on 7/03/2007.

Increase in total number of FTE allocated in the Long Bill by fiscal year:

2003-2004	4516 FTE	
2004-2005	5197 FTE	(Nursing Homes added to the Long Bill)
2005-2006	5332 FTE	
2006-2007	5431 FTE	

Although CDHS is allocated 5332 FTE, it should be noted that there are currently 5704 employees, due to those employees with part-time status. An example would be in the State and Veterans Nursing Homes, where one FTE might be split into three part-time positions to cover parts of shifts in a 24-7 facility. This is important to note as employees utilize human resources personnel (hiring, benefits, etc) as though they are one full FTE.

This change request of five (5) additional positions would include two (2) certified human resources specialists at the General Professional III level, and three (3) human resources technicians, at the Technician III level. Teaming a technician with a certified specialist is an efficient approach to staffing and allows greater productivity at lower cost. Human Resource Specialists at the III level are fully operational and perform comprehensive professional functions independently, while Technician IIIs are likewise fully operational and would assist with data entry, computer related and administrative functions. The pairing of these two classes allows specialists to focus on more complex work such as job analysis, exam development, and progressive discipline consultation while delegating to technicians the less complex processes such as administering and scoring exams, reviewing applications for entry-level positions and data entry.

HR office staffing patterns in Colorado state government show that CDHS is understaffed compared to its size and workload. The generally accepted HR industry standard (as published by the Society for Human Resources Management based in Alexandria, VA) is one HR staff for every 100 employees served. Fully staffed HR offices, such as that in the Department of Transportation, meet this standard with about 35 HR staff members for 3300 employees (ratio is 1.06%). According to the Department of Personnel and Administration, Colorado's HR ratios average is .87 HR staff for every 100 employees.

Currently in CDHS, staff cuts in HR coupled with growth in program staff have caused the staffing ratio to fall to .58, 33 HR staff for 5700 full and part time employees (calculation: 33 HR staff divided by 57 = .58 staff member per 100 employees). This gap is causing serious delays in the hiring of direct care and other staff, resulting in a lack of support for the programs run by CDHS, many of which are "24-7" care facilities as discussed below. This budget request will assist the Department in meeting its workload by improving the HR staff to employee ratio to .66, 38 HR staff for 5700 full and part time employees, although this is still well below the State's average of .87 HR staff for every 100 employees.

Consequences if Not Funded:

The consequences of not funding these positions are already being experienced and are not within the Department's control. These include sanctions, non-compliance, de-certification, legal action and critical safety issues. Several CDHS programs have already been cited as being deficient, some repeatedly, by state, federal and national oversight agencies for failure to meet required staffing ratios.

Examples include:

- For the past three years the Veteran's Administration has judged Fitzsimons State Veterans Nursing Home deficient in full and timely hiring of staff. The annual surveys of state nursing homes consistently warn of failures to maintain required staffing ratios of direct care staff to patient acuity due to delays in hiring qualified nurses and other direct care positions. Case in point, the Fitzsimons Veterans Nursing Home could not complete timely staff hires of direct care staff (RNs, LPNs and CAN) within the first year of the home opening. Consequently client care suffered to the point of repeated survey deficiencies from both survey agencies – the Colorado Department of Public Health and Environment and the Veteran's Administration. The deficiencies were so severe in direct resident care that the Veteran's Administration put a hold on the admittance of any new residents. Because the nursing homes must maintain a certain population census in order to break even fiscally, the Fitzsimons Veterans Nursing Home posted a loss of $5 million that year and a $5.4 million loss the next year. The losses had to be absorbed by the other

homes, causing them extreme hardship, impacting the general fund and special funding from the Governor's Office.

- All three Regional Centers (Pueblo, Grand Junction, and Wheat Ridge) have recently been cited for inadequate staffing during surveys of the facilities. The Regional Centers provide direct support for adults with developmental disabilities who have very significant needs and for whom adequate services and supports are not available through the community. The staffing pressures associated with a more severe clientele and funding constraints have been identified by the Colorado Department of Public Health and Environment (CDPHE). Continued certification by CDPHE is at risk if adequate staffing levels are not secured. The Regional Centers are Medicaid funded, and continued funding requires compliance with survey findings. Failure to address CDPHE deficiencies ultimately results in loss of more than $25 million in Medicaid funding. The Department must address compliance with Medicaid regulations and ensure the health, well-being, and safety of vulnerable residents at the Regional Centers. The Department's ability to recruit and retain staff is crucial to these efforts.

Failure to support CDHS programs with a reasonable level of HR services could result in possible fines and sanctions against the state by accrediting agencies, such as the Joint Healthcare Accrediting Commission. An unlikely, yet possible consequence could be closures of these direct care facilities.

The *Colorado Promise* requires state government to improve its performance to its fullest potential and to leave Colorado better for our younger generations of citizens. If staffing shortages in human resources continue, the result will most certainly be a failure to fulfill the Promise in staffing positions essential to direct care and those positions critical to the success of the most vulnerable populations throughout Colorado.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
Total Request	$244,428	$91,371	$7,817	$37,618	$107,622	$32,915	$16,457	$107,828	
Personal Services*	$217,611	$80,966	$6,992	$33,374	$96,279	$29,199	$14,583	$95,549	5.0
Operating	$22,025	$8,546	$677	$3,486	$9,316	$3,079	$1,539	$10,085	
AED	$3,263	$1,266	$101	$516	$1,380	$456	$228	$1,494	
SAED	$1,529	$593	$47	$242	$647	$214	$107	$700	

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
Total Request	$238,186	$92,416	$7,384	$37,634	$100,752	$33,231	$16,616	$109,032	
Personal Services	$229,153	$88,911	$7,104	$36,206	$96,932	$31,970	$15,985	$104,896	5.0
Operating	$4,750	$1,843	$147	$751	$2,009	$663	$332	$2,175	
AED	$3,263	$1,266	$101	$516	$1,380	$456	$228	$1,494	
SAED	$1,020	$396	$32	$161	$431	$142	$71	$467	

*FY08-09 personal services is reduced by $7,361 general fund and $2,651 in cash fund exempt for shift in pay date

Assumptions for Calculations:

FTE and Operating Costs						*GRAND TOTAL*	
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**	**FY 08-09**	**FY 09-10**
PERSONAL SERVICES	**Title:**	**General Professional III**		**Technician III**			
Number of PERSONS / class title		2.00	2.00	3.00	3.00		
Number of months working in FY 08-09 and FY 09-10		12	12	12	12		
Number months paid in FY 08-09 and FY 09-10*		12	12	12	12		
Calculated FTE per classification		**2.00**	**2.00**	**3.00**	**3.00**	5.00	5.00
Annual base salary		$46,884	$46,884	$36,732	$36,732		
Salary		$93,768	$93,768	$110,196	$110,196	$203,964	$203,964
PERA	**10.15 %**	$9,517	$9,517	$11,185	$11,185	$20,702	$20,702
Medicare	**1.45%**	$1,360	$1,360	$1,598	$1,598	$2,958	$2,958
Prior Year SAED	**N/A**	$0	$703	$0	$826	$0	$1,529
Subtotal Personal Services at Division Level		**$104,645**	**$105,348**	**$122,979**	**$123,805**	**$227,624**	**$229,153**
Subtotal AED at EDO Long Bill Group Level	**1.60%**	**$1,500**	**$1,500**	**$1,763**	**$1,763**	**$3,263**	**$3,263**
Subtotal SAED at EDO Long Bill Group Level	**Varies**	**$703**	**$469**	**$826**	**$551**	**$1,529**	**$1,020**
OPERATING EXPENSES							
Supplies @ $500/$500***	**$500**	$1,000	$1,000	$1,500	$1,500	$2,500	$2,500
Computer @ $900/$0	**$900**	$1,800	$0	$2,700	$0	$4,500	$0
Office Suite Software @ $330/$0	**$330**	$660	$0	$990	$0	$1,650	$0
Office Equipment @ $2,225 /$0	**$2,225**	$4,450	$0	$6,675	$0	$11,125	$0
Telephone Base @ $450/$450***	**$450**	$900	$900	$1,350	$1,350	$2,250	$2,250
Subtotal Operating Expenses		**$8,810**	**$1,900**	**$13,215**	**$2,850**	**$22,025**	**$4,750**
GRAND TOTAL ALL COSTS		**$115,658**	**$109,217**	**$138,783**	**$128,969**	**$254,441**	**$238,186**

Impact on Other Government Agencies: For Medicaid Department of Health Care Policy & Financing.

Cost Benefit Analysis:

The benefits of this change request are that programs within CDHS will be assisted to meeting their program goals and avoid financial sections by federal authorities because the facilities are adequately staffed. For example, failure to adequately fill positions at the Regional Centers in a timely manner will mean that the State is unable to address Colorado Department of Public Health and Environment deficiencies found at each of the Regional Centers. If the State is not able to bring the facilities back into compliance with the requirements of licensing entity, the Department will face a loss of more than $25 million in Medicaid funds.

The current shortage of human resources staff that would be substantially remedied by this decision item also causes errors that result in unnecessary costs to the state. For example, mistakes made in the hiring process can cause disputes that must be researched, negotiated and settled at significant cost to the state in staff time, attorney fees and settlement payouts.

In a recent case HR erroneously included an unqualified candidate in an applicant pool. The candidate was hired. The decision was subsequently challenged successfully, requiring the Department to reverse the hiring process and start over. The cost of this error was $5,549 in salary for the erroneous hire and $4,277 in staff time to work through this issue, before even beginning the hiring process again. Assuming that the staff shortage is causing errors such as this one in only 5% of all new hires in the department each year, about 1000 positions, the cost would be $491,300. (Calculation .05 x 1000 x $9826= $491,300.)

The cost of staff shortage is also seen in the increase in costs to settle disputes before the State Personnel Board or in other litigation. Settlement costs for such cases paid by Department in the last three years total $203,546.

The costs of settlement by year are:

Fiscal year 2004-2005:	$41,595
Fiscal year 2005-2006:	$95,634
Fiscal Year 2006-2007:	$66,317

(Source: CDHS, Division of Statewide Services)

As the figures show, settlement costs spiked in Fiscal Years 2006 and 2007, the same years in which HR suffered a 40% staff turnover rate due to overwork and understaffing. Clearly this brain drain is harming the Department. With additional staff, the Department would be able to stabilize the HR workforce and provide consistent and accurate decisions that would help avoid these costs and the attorney fees related to them.

HR staff filled more than 340 positions in the Division of Youth Corrections last year, including opening a new facility. However, an overall vacancy rate of 6% of all DYC staff remains unfilled. Additional HR staff will assist the Department in reducing the vacancy rate, thus providing more complete staffing at DYC and assisting DYC in meeting its performance goal of reducing the recidivism rate of youth offenders in Colorado. HR staff filled more than 460 jobs at the State's Mental Health Institutes in Pueblo and at Fort Logan last year. However, an overall vacancy rate of 12.4% remains unfilled.

Additional HR staff will help reduce this vacancy rate, thus assisting the mental health institutes in providing services to existing patients, even in the midst of a national nursing shortage, and in meeting the increasing need for services in areas such as court ordered forensic competency evaluations.

At the State and Veterans Nursing Homes, HR staff filled more than 320 positions. However, an overall vacancy rate of 22% remains unfilled. Additional HR staff will assist in reducing this very high vacancy rate, thus allowing the homes to meet their performance goals, which include providing adequate care for war veterans and their

families and improving care in areas such as reducing patient injuries due to falls and reducing medication errors.

If the State were to contract out the operations of one of the five state owned nursing homes, for example, the Fitzsimons facility with 250 staff members, the increase in cost of operation in the first year alone would be $2.3 million. (Calculation: $18 million current annual operating budget plus 10% standard private contractor profit, plus cost of recruitment and rehiring 25 leadership staff at $10,000 per person and 225 other staff at $1,000 per person. Source: CDHS Office of State and Veterans Nursing Homes. (Note: the calculation does not include the cost associated with administering the layoff and bumping process for 250 current state employees). The Fitzsimons' Fiscal Year 08 budget also shows a potential net profit of $970,000, which will currently be put back in the Enterprise fund to assist with the maintenance needs of all of the homes. If a private contractor were to take over the facility and all of its HR operations it would mean a $1.3 million dollar loss that the State would still be responsible for covering. The increase in cost to contract out the operations of only one of the nursing homes is almost nine times the amount of this decision item.

As shown on page 8, the overall number of HR actions is increasing at a rate of over 13% each year due to a growth in the demand for human services in Colorado. With current HR staff, this rate of growth is outstripping the ability to meet demand. This change request will allow CDHS to keep up with service demands, thus assisting all CDHS programs in meeting program goals for the benefit of patients and clients.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	April-June, 2008
Written Agreement w/ Other State Agencies	N/A
FTE Hired	July, 2008
Waiver or State Plan Amendment Written	N/A
Waiver or State Plan Amendment Approved	N/A
RFP Issued	N/A
System Modifications Made	N/A
Contract or MOU Written	N/A
Rules Written	N/A
Rules Passed	N/A
Contract or MOU Awarded/Signed	N/A
Start-Up Date	August, 2008

Statutory and Federal Authority: Colorado Constitution Article XII, CRS 24-50-101 et. seq. and related State Personnel Rules.

24-50-101. Short title – legislative declaration – terminology.

(1) This article shall be known and may be cited as the "State Personnel System Act". It is the purpose of this article and the personnel rules adopted pursuant to this article to provide a sound, comprehensive, and uniform system of personnel management and administration for the employees within the state personnel system as defined by the constitution of the state of Colorado and laws enacted pursuant thereto, including all employees of the state colleges and universities not otherwise exempted by law.

(2) Whenever, in any law of this state relating to state employees, reference is made to the civil service, the state civil service, or the classified service, such terms shall be deemed to refer to the state personnel system. Whenever reference is made to the civil service commission in any law of this state relating to the administration of the state personnel system, such term shall be deemed to refer to the state personnel director. Whenever reference is made to the civil service commission in any law of this state relating to rule-making powers, administrative appeals, or any power vested by the state constitution in the state personnel board, such term shall be deemed to refer to the state personnel board.

(3) (a) It is the purpose of the state personnel system, as a merit system, to assure that a qualified and competent work force is serving the residents of Colorado and that any person has an equal opportunity to apply and compete for state employment. Recruitment shall be from appropriate sources.

(b) It is the duty of the state personnel board to provide fair and timely resolution of cases before it.

(c) It is the duty of the state personnel director to establish the general criteria for adherence to the merit principles and for fair treatment of individuals within the state personnel system. It is the responsibility of the state personnel director to provide leadership in the areas of policy and operation of the state personnel system as well as to provide consultant services to executive branch agencies and institutions of higher education to further their professional management of human resources in state government. The state personnel director, pursuant to the "State Administrative Procedure Act", article 4 of this title, shall provide necessary directives and oversight for the management of the state personnel system and in the discharge of his constitutional duty to administer the state personnel system.

(d) The heads of principal departments and presidents of colleges and universities shall be responsible and accountable for the actual operation and management of the state personnel system for their respective departments, colleges, or universities. Such operation and management shall be in accordance with directives promulgated by the state personnel director, who shall provide postaudit review of such operation and management.

Presidents of colleges and universities shall be the appointing authorities for employees of their respective institutions.

(e) The state personnel director shall establish and administer an affirmative action program, including annual documentation by appointing authorities listing methods of remedying, within a time period established by the director, the underutilization of persons covered by part 4 of article 34 of this title.

(4) It is also the policy of the state to base employee advancement and compensation on demonstrated ability and quality of performance in order to encourage and achieve high levels of performance and productivity by state employees.

Performance Measures:

Program	Performance Indicators	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Program Notes
		Actual	Actual	Current	Request	HR2's are the official request form required for all HR actions, i.e. a request to fill a vacant position, funding changes, transfers, pay differential, leave, and separations.
Human Resources	Increase the total number of all HR2's completed.	2905	3506		3600	

Program	Performance Indicators	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Program Notes
		Actual	Actual	Current	Request	Includes open competitive, promotions, reappointments, reinstatements, creating new positions, reclassify/reallocate vacant and encumbered positions, reemployment, S positions, temporaries, transfers, voluntary demotions.
Human Resources	Increase number of positions filled.	2336	2327		2400	

Program	Performance Indicators	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Program Notes
		Actual	Actual	Current	Request	
Human Resources	Decrease the number of grievances, corrective and disciplinary actions received, and number of appeals	357	271		258	