Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 ☑	**Base Reduction Item FY 2009-10** ☐	**Supplemental FY 2008-09** ☐	**Budget Amendment FY 2009-10** ☐
Request Title:	Request for Increase of 2.0 FTE for Department Budget Office		
Department:	Education	**Dept. Approval by:**	**Date:**
Priority Number:	3	**OSPB Approval:**	**Date:**

	Fund	1 Prior-Year Actual FY 2007-08	2 Appropriation FY 2008-09	3 Supplemental Request FY 2008-09	4 Total Revised Request FY 2008-09	5 Base Request FY 2009-10	6 Decision/ Base Reduction FY 2009-10	7 November 1 Request FY 2009-10	8 Budget Amendment FY 2009-10	9 Total Revised Request FY 2009-10	10 Change from Base (Column 5) FY 2010-11
Total of All Line Items	**Total**	7,360,833	3,539,338	0	3,539,338	3,666,197	127,889	3,794,086	0	3,794,086	131,163
	FTE	74.2	39.9	0.0	39.9	40.0	1.8	41.8	0.0	41.8	2.0
	GF	5,687,018	2,173,312	0	2,173,312	2,261,325	127,889	2,389,214	0	2,389,214	131,163
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	104,891	98,109	0	98,109	101,625	0	101,625	0	101,625	0
	CFE/RF	1,568,924	1,267,917	0	1,267,917	1,303,247	0	1,303,247	0	1,303,247	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Management and Administration, (A) Administration and Centrally-Appropriated Line Items, General Department and Program Administration	**Total**	7,360,833	3,539,338	0	3,539,338	3,666,197	127,889	3,794,086	0	3,794,086	131,163
	FTE	74.2	39.9	0.0	39.9	40.0	1.8	41.8	0.0	41.8	2.0
	GF	5,687,018	2,173,312	0	2,173,312	2,261,325	127,889	2,389,214	0	2,389,214	131,163
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	104,891	98,109	0	98,109	101,625	0	101,625	0	101,625	0
	CFE/RF	1,568,924	1,267,917	0	1,267,917	1,303,247	0	1,303,247	0	1,303,247	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request:	None	
Letternote Revised Text:	None	
Cash or Federal Fund Name and COFRS Fund Number:		
Reappropriated Funds Source, by Department and Line Item Name:		
Approval by OIT?	**Yes:** ☐ **No:** ☐	**N/A:** ☑
Schedule 13s from Affected Departments:		

OSPB Common Policy for FTE Requests

		FTE and Operating Costs						*GRAND TOTAL*		
Fiscal Year(s) of Request		**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 08-09**	**FY 09-10**	**FY 10-11**
PERSONAL SERVICES	**Title:**	**Budget Analyst III**			**Budget Analyst II**					
Number of PERSONS / class title		0	1	1	0	1	1			
Number of months working in FY 08-09, FY 09-10 and FY 10-11		0	12	12	0	12	12			
Number months paid in FY 08-09, FY 09-10 and FY 10-11[1]		0	11	12	0	11	12			
Calculated FTE per classification		**0.0**	**0.9**	**1.0**	**0.0**	**0.9**	**1.0**	0.0	1.8	2.0
Annual base salary			$61,092	$63,536		$50,280	$52,291			
Salary		$0	$56,001	$63,536	$0	$46,090	$52,291	$0	$102,091	$115,827
PERA	**10.15%**	$0	$5,684	$6,449	$0	$4,678	$5,308	$0	$10,362	$11,757
Medicare	**1.45%**	$0	$812	$921	$0	$668	$758	$0	$1,480	$1,679
Subtotal Personal Services at Division Level		**$0**	**$62,497**	**$70,906**	**$0**	**$51,436**	**$58,357**	**$0**	**$113,933**	**$129,263**
OPERATING EXPENSES										
Supplies @ $500/$500[2]	**$500**	$0	$500	$500	$0	$500	$500	$0	$1,000	$1,000
Computer @ $900/$0	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office Suite Software @ $330/$0	**$330**	$0	$330	$0	$0	$330	$0	$0	$660	$0
Office Equipment @ $3,998/$0 (includes cubicle and chair)	**$3,998**	$0	$3,998	$0	$0	$3,998	$0	$0	$7,996	$0
Telephone Base @ $450/$450[2]	**$450**	$0	$450	$450	$0	$450	$450	$0	$900	$900
Laptop	**$1,700**	$0	$1,700	$0	$0	$1,700	$0	$0	$3,400	$0
Other[3,4]								$0	$0	$0
Subtotal Operating Expenses		**$0**	**$6,978**	**$950**	**$0**	**$6,978**	**$950**	**$0**	**$13,956**	**$1,900**
GRAND TOTAL ALL COSTS		**$0**	**$69,475**	**$71,856**	**$0**	**$58,414**	**$59,307**	**$0**	**$127,889**	**$131,163**

1 - Initial year full salary is 11 months to account for Pay Date Shift if General Fund employee.

2 - The $450 for Telephone Base and $500 for Supplies will carry over each year as an acceptable expense. Items are prorated for partial FTE.

3 - Other non-routine expenses such as Fleet, Leased space, or a laptop must be separately defended and calculated. Please provide documentation to justify these requested costs. Agencies must work with DPA or the Governor's Office of IT when requesting Fleet, MNT, GGCC, or other centralized items administered by this Department.

4 - Computer contract hours should be estimated at $100 / hour and legal fees should be $75.10 (blended attorney and paralegal services estimate charged by Dept. of Law). Exceptions will only be given if sufficient justification is provided. Mileage reimbursement rates are outlined below:

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Education
Priority Number:	3
Change Request Title:	Request for Increase of 2.0 Budget FTE for Department Budget Office

SELECT ONE (click on box):

☒ Decision Item FY 2009-10
☐ Base Reduction Item FY 2009-10
☐ Supplemental Request FY 2008-09
☐ Budget Request Amendment FY 2009-10

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: The Department of Education (CDE) is requesting 2.0 additional FTE for its Budget Unit to address increases in workload. The additional appropriation required is $127,889 General Fund for FY 2009-10 and $131,163 General Fund for FY 2010-11.

Background and Appropriation History: With the appointment of Commissioner Dwight Jones in June of 2007 and the restructuring of the Department under his "Forward Thinking" plan, there are new demands on the Budget Unit to provide budget information and reporting that assists the Commissioner and his cabinet in making informed decisions about how and where to use available resources.

Currently, the Budget Unit has only 1.0 FTE, a Budget Analyst III, devoted to completing the Department's budget submission to OSPB and the JBC. This budget analyst is ultimately responsible for managing the following aspects of internal and external budgeting:

- 71 Long Bill Line Items
- 159 Appropriations
- 242 Federal and State Grants
- 127 separate Organization codes within CDE

There is a director over the Budget Unit who also assists with budget preparation; however, that position also supervises the Accounting/Purchasing, Grants, and Human Resources function, so the director's time is divided among those areas.

The CDE Budget Unit has experienced in excess of 100% turnover during the past two fiscal years. During exit interviews, departing staff cited workload and stress levels that were unmanageable as two significant factors for leaving. With current staffing levels, it is not possible to adequately meet the demands of both internal and external users of the Department's budget information. The addition of the 2.0 FTE will assist with the burden making turnover less likely.

During the last three fiscal years, the number of bills that have passed in the Legislature containing fiscal impact have increased from 10 in FY 2006-07 to 18 in FY 2008-09. The Department also received appropriations for approximately 28 new FTE and 7 new programs to be implemented. All the new programs will require budget staff support for set up and monitoring.

The Department is currently reorganizing around Commissioner Jones' "Forward Thinking" plan. As a result, the current configuration of budgets is not adequate to track the changes in resource allocation, the personnel responsible for resources, and the comparison of expenditures to budget to ensure the Department stays within its budgetary constraints.

General Description of Request: CDE is requesting 2.0 additional FTE for its Budget Unit to address increases in workload. The additional appropriation required is $127,889 General Fund for FY 2009-10 and $131,163 General Fund for FY 2010-11 to address the increase in workload. If funded, the Department will create the following positions:

Budget Analyst III: This position will facilitate and manage the set up and tracking of payroll and operating budgets for both State and Federal programs within the Department. The Department's payroll is complicated for an agency its size due to approximately 45% of all positions being 'split-funded', that is, funding across multiple units and/or fund sources within the Department. In addition, this position will assist with the development and implementation of a budget to actual tracking system. Once the system is in place, this position will be responsible for providing reports to management and other stakeholders in the Department to facilitate effective and sound decision making.

Budget Analyst II: This position will assist with all state budget requirements. Moreover, to ensure staff payroll is coded properly, and federal expenditure budgets are monitored and reconciled regularly, this position will be instrumental. With the introduction of Commissioner Jones' "Forward Thinking", it has become necessary to better integrate and coordinate state and federal budget tracking.

Consequences if Not Funded:

The primary consequence if these positions are not funded is the Department will not be able to perform all budgetary activities. For example, during the budget submission process, the Department's development of internal budgets and management information will have to be delayed or foregone to complete submissions to the JBC and OSPB. Ultimately, it may not be possible to provide OSPB and the JBC with timely and accurate information due to the limited human resources in the Department's Budget Unit. Critical monthly and quarterly budget functions, such as monitoring budget to actual and analyzing expenditure history and activity cannot be sustained. As a result, the Department is at greater risk of incurring over expenditures and not accurately estimating future costs for appropriations requests.

Another consequence is that without additional staff, it will be difficult to satisfy Objective number 5 in the Department's Strategic Plan: to make effective use of federal, state, and private funds. The FY 2008-09 Strategic Plan states that the Department will "Design and implement an organizational budget system to manage resources that

provide staff with tools needed to align resources to the highest priorities of the Department."

According to "The Electronic Advisor", the monthly Human Resources newsletter published by the Colorado Department of Personnel and Administration, the cost of turnover for an organization is significant. The March 2006 "Electronic Advisor" states that estimated turnover costs are between 6 and 18 months of pay. Based on the salary of the staff that departed most recently, the turnover cost for FY 2006-07 and FY 2007-08 is approximately $40,400 assuming the minimum of 6 months pay. If 18 months pay is a more accurate figure, the cost increases to approximately $121,205 in turnover costs for the last two years in the Budget Unit. This estimate is based on a monthly salary and benefits of $6,733. Unless additional human resources are brought to bear to alleviate the workload, turnover and therefore turnover costs are likely to continue.

Finally, Commissioner Dwight Jones' "Forward Thinking" initiatives in the budget area cannot be implemented without additional resources. "Forward Thinking" contains recommendations that, if implemented will be instrumental in improving the budget process and information for all users, both internal and external to the Department.

Calculations for Request:

Summary of Request FY 2009-10	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
Total Request	$127,889	$127,889	$0	$0	$0	1.8
Budget Analyst III	$69,475	$69,475	$0	$0	$0	0.9
Budget Analyst II	$58,414	$58,414	$0	$0	$0	0.9

Summary of Request FY 2010-11	**Total Funds**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	$131,163	$131,163	$0	$0	$0	2.0
Budget Analyst III	$71,856	$71,856	$0	$0	$0	1.0
Budget Analyst II	$59,307	$59,307	$0	$0	$0	1.0

Estimates/Calculations: Assumptions for Budget Analyst III and Budget Analyst II:

Personal Service Costs Assumptions

1. The Department is estimating $127,889 total position cost for the two positions. The FY 2009-10 request is only for 11 months due to the pay-date shift. Therefore, the annual base salary is $113,933 in FY 2009-10 and $131,163 in future years.
2. PERA and Medicare are calculated per OSPB budget instructions guidance. PERA 10.15% and Medicare 1.45% of position costs.
3. Per OSPB budget instructions, no funding is requested for Health, Life, Dental, and Short-term disability for requests less than 20 FTE. The OSPB budget instructions require the Department to absorb these costs in the first year (FY 2009-10) and then request funding for these items through the centralized POTS request for FY 2010-11.

Operating Cost Assumptions

4. Per OSPB instructions $500 per FTE for general operating costs (supplies) are included in the request.
5. Per OSPB instructions $450 per FTE for telephone costs are included in the request.
6. Capital outlay (office equipment) is requested in accordance with OSPB common policy at $3,998 (FY 09-10) per FTE. This is one-time funding in FY 09-10.
7. The Department is requesting that the Budget Analyst III be provided with a laptop computer due to the need to meet with program staff in their offices to

collect information and work from home in the evening or on weekends during busy times. Based on current purchase costs the Department estimates $1,700 for a laptop computer. This is a one-time cost in FY 2009-10.

8. The Department is requesting the office suite software funding in accordance with OSPB common policy. This is a one-time cost at $330.

Impact on Other Government Agencies: None.

Cost Benefit Analysis:

Cost	Benefits
$127,889	The benefits of additional budget staff include: • Timely and accurate budget information provided to OSPB and the JBC. • Timely and accurate budget information provided to Department management to ensure effective decision-making. • Reduced workload and stress levels for current employees contributing to reduced turnover, increased morale, and enhanced efficiency and effectiveness. • Budget to actual monitoring to ensure program efficiencies and to avoid over- expenditures. • Expenditure review and monitoring to provide more accurate estimates of future costs. • Reduced turnover costs of approximately $40,400 to $121,205 per year, based on the Estimates provided by "The Electronic Advisor".

Implementation Schedule:

Task	Month/Year
FTE Hired	July 2009

Statutory and Federal Authority: 22-2-101 C.R.S. through 22-2-131 C.R.S.

Performance Measures: The Department's Strategic Plan does not contain a performance measure related to this Decision Item.