



**DPA**

Department of Personnel & Administration

**DEPARTMENT OF PERSONNEL & ADMINISTRATION  
FY 2013-14 STRATEGIC PLAN**

**WORKING TOGETHER TO SERVE COLORADO**

## Table of Contents

DPA’s MISSION, VISION, EXPLANATION OF FOCUS AND AUTHORITY.....3

*Mission Statement*.....3

*Vision Statement*.....3

*Our Values*.....3

*Explanation of Focus*.....3

*Statutory Authority*.....3

DPA POSTER.....4

DPA ORGANIZATIONAL CHART.....5

THE STRATEGIC PLANNING PROCESS.....6

SUMMARY OF DEPARTMENT PERFORMANCE BASED GOALS.....6

1. *Improve DPA Customer Service*.....6

2. *Modernize DPA Systems that are Outdated, Ineffective or on the Verge of Failure*.....7

3. *Implement the Talent Agenda Initiative*.....8

PERFORMANCE MEASURES TO SUPPORT THE PERFORMANCE-BASED GOALS.....8

DEPARTMENT DESCRIPTION.....15

LINE ITEM DESCRIPTION.....32

## **DPA’S MISSION, VISION, EXPLANATION OF FOCUS and AUTHORITY**

### ***Mission Statement***

The mission of the Department of Personnel & Administration is to provide quality services to enhance state government.

### ***Vision Statement***

Our vision is to be the leader in service excellence.

### ***Our Values***

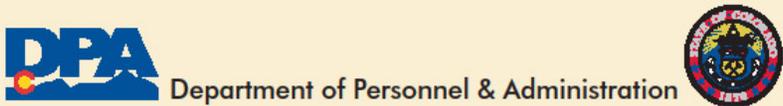
- Effective: Doing the Right Thing
- Efficient: Achieving the Best Outcome
- Elegant: Delivering the Best Customer Service

### ***Explanation of Focus***

The Department of Personnel & Administration (DPA) provides state government agencies the ability to focus their limited resources toward the efficient and effective delivery of services to the citizens of Colorado. DPA performs a set of core functions that provide the infrastructure, processes, services, guidance, and tools necessary to eliminate redundancy in state government. The Department of Personnel & Administration seeks to be the State of Colorado’s leader in service excellence by offering quality services that enhance the success of the State’s government. The Department has taken careful steps to align itself with the government’s overall goal of executing effective, efficient, and elegant solutions to the issues that face the State and its citizens. To that end, the Department’s expansive knowledge base and core principles of integrity and accountability guide its day-to-day operations and ensure our staff are equipped to “do the right thing.” The Department collaborates with employees, customers, vendors and citizens to develop innovative ways to provide cost-effective solutions that further the State’s ability to conduct its business under increasing fiscal constraints. These solutions should lessen the burden or complexity of doing business and allow the Department to engage its customers and exceed their expectations at every step. In the pages that follow, the Department has presented the primary goals and performance measures that will allow it to achieve its mission of providing quality services to enhance state government.

### ***Statutory Authority***

The statutory authority for the Colorado Department of Personnel & Administration is found in Title 24, Section 50.3, 101-105, C.R.S.



**DPA** Department of Personnel & Administration

**Vision**  
Be the leader in service excellence

**Mission**  
To provide quality services to enhance state government success

<i>Effective</i>	<i>Efficient</i>	<i>Elegant</i>
<b>We Value:</b> Knowledge Integrity Accountability	<b>We Are:</b> Innovative Collaborative Cost Effective	<b>We Strive for:</b> Ease of Doing Business Exceeding Expectations Engagement
<b>Doing the Right Thing</b>	<b>Achieving the Best Outcome</b>	<b>Delivering the Best Customer Experience</b>



*Working Together to Serve Colorado*

**DEPARTMENT OF PERSONNEL & ADMINISTRATION STRUCTURE – ORGANIZATIONAL CHART**

Personnel and Administration FY 2012-13  
Summary of Funding:

Total Funds:	\$160,021,572
General Fund:	\$6,596,233
Cash Funds:	\$11,997,536
Reappropriated Funds:	\$141,427,803
FTE:	394.9

**Executive Director's Office**

**Kathy Nesbitt**  
Executive Director

**Jennifer Okes**  
Deputy Executive Director

\$11,618,442 TF  
\$3,901,418 GF  
\$790,951 CF  
\$6,926,073 RF  
44.8 FTE

**State Personnel Board**

**Dana Shea-Reid**  
Director

\$519,601 TF  
\$498,945 GF  
\$1,178 CF  
\$19,478 RF  
4.8 FTE

**Division of Human Resources**

**Deborah Layton - Root**  
Chief Human Resources Officer

\$60,187,916 TF  
\$2,314,729 CF  
\$57,873,187 RF  
41.7 FTE

**Division of Central Services**

**Scott Madsen**  
Director

\$74,456,490 TF  
\$46,130 GF  
\$1,526,982 CF  
\$72,883,378 RF  
192.8 FTE

**Division of Accounts and Control – Controller**

**David McDermott**  
State Controller  
State Controller's Office

**Carol Pfarr**  
Director  
Finance & Procurement

\$9,437,942 TF  
\$2,149,740 GF  
\$7,270,004 CF  
\$18,198 RF  
70.8 FTE

**Office of Administrative Courts**

**Matthew Azer**  
Chief Judge  
Director

\$3,801,181 TF  
\$93,692 CF  
\$3,707,489 RF  
40.0 FTE

## **THE STRATEGIC PLANNING PROCESS**

During the summer and fall of 2011, the Department of Personnel & Administration's leadership team held a number of meetings that were intended to provide the basis for overhauling the performance and image of its programs as they pertain to the requirements set forth in statute and the State Constitution. Through these meetings, the Department identified overarching principals that would allow it to increase its effectiveness and achieve its vision of being a leader in service excellence through the provision of quality services that enhance State government. Along with these primary performance-based goals, the Department's leaders developed a number of individualized goals and performance measures at the programmatic level to support the long-term vision. Although the employee organizations were not in attendance at the strategic planning sessions, the Department had numerous discussions with Colorado WINS and the Association of Colorado State Patrol Professionals (ACSPP) in FY 2011-12, which informed its strategic planning efforts and goals. Further, employee input was sought and incorporated through the Employee Engagement Survey and DPA Customer Satisfaction Survey and subsequent skip level meetings.

The three primary departmental goals have been presented below with an explanation of how they pertain to the Department's book of business, a general sense of how the Department intends to accomplish these goals, and a brief overview of how the Department intends to measure success. Following this description, the Department has included the individualized goals and performance measures for individual divisions and the performance-based goals supported through the measure. As this is the second year of this strategic plan submission as required by the SMART Act, the Department's evaluation of its performance reflects a more expansive assessment and provides additional analysis and detail after this plan was examined by the various legislative committees and their recommendations were incorporated herein.

## **SUMMARY OF DEPARTMENT PERFORMANCE-BASED GOALS AND STRATEGIES**

### *1. Improve DPA Customer Service*

The Department of Personnel & Administration provides a number of services to state agencies, state employees, the citizens of Colorado, and various governments and jurisdictions. As a service organization, the Department recognizes the importance of establishing a rapport with its clients and associating quality services with its name and image through branding. To effectively brand the Department with its products and services, the Department will focus on improving its communication to concerned parties, customer service to all entities that use its products and services, the effectiveness of its products and services, the value/savings potential or revenue maximization potential associated with its products or services, and the overall quality of its offerings. To aid in the successful development of its brand, all levels of the agency have developed goals and performance measures to effectively gauge improvements in the aspects of their particular functions that support the strategic goal of improving DPA's brand. Accomplishment of this particular strategic goal will be measured through a number of surveys regarding the Department's general reputation and the reputation of the vast number of programs it administers.

The Division of Human Resources accounts for a number of the programs and services that touch the agencies and lives of all the people that work for the State of Colorado. During the strategic planning process, the Department identified multiple opportunities within the Division of Human

Resources to create additional efficiencies in the operation of State government with a measured, long-term approach. These potential strategic improvements include the State's talent agenda, the total compensation process, and selected processes supporting an effective state workforce including selection, benefits administration, and training. The Department will work with the parties involved in each of these processes to identify strengths, weaknesses, and opportunities specific to each function with the intention of implementing changes that align each with industry standards and best practices. Success relative to this performance goal will be achieved when there is a general consensus among all interested parties that the processes in place maximize the opportunity for the State to hire, retain, compensate, and train its employees, thereby increasing the efficiency of the State's overall human resource function.

With respect to the Department's November 1, 2012 Budget Request, and in support of this performance-based goal, the Department has requested additional spending authority for an Employee Engagement Survey. The survey will provide important insights to what is working and what is not working in state government. The feedback will be utilized to collaborate with state employees to find creative and innovative solutions to issues facing Colorado. For FY 2012-13, the Department received additional spending authority for its Training Services program. This underscores the Department's interest in providing training to State employees in a manner that consolidates this service and generates overall savings to the State.

The State's procurement and contracting processes also presented a considerable opportunity for maximization of benefit through improved systems, universal applicability, renegotiated contracts, standardized training, and improved customer service. The State of Colorado spends approximately \$6 billion from all fund sources on goods and services on an annual basis. The Department believes that it has identified a number of ways to reduce the cost to the State of conducting its business. These include implementing a procurement database that is more accessible and user-friendly, increasing utilization of existing price agreements, providing universal training for the State's purchasing agents, renegotiating current contracts to garner additional discounts, and improving the Department's level of customer service for up- and down-channel suppliers and users, respectively. Success relative to this strategic goal will be measured by a reduction in cost for the goods and services the State needs to operate, a reduction in the turnaround time for procurement and contracting, as well as the rated effectiveness of the Department in this area.

## *2. Modernize DPA Systems that are Outdated, Ineffective, or on the Verge of Failure*

The Department of Personnel & Administration is the business owner of a number of systems that support many of the functions necessary to effectively manage state government, including finance, procurement, collections, fleet, and court related systems. As the owner of many of the systems that are integral to the function of state government, the Department's leaders assessed the overall state of the systems by researching their ability to perform the task originally intended, the ability for the system to adapt to ongoing reporting requirements and modifications, the applicability of the database or system in the future, and the viability of the system from a maintenance and upkeep perspective. The Department concluded that a number of the systems under its purview are outdated, obsolete, and at risk of imminent failure. As a result, the Department determined that one of its performance-based goals should be the improvement of the systems (through updates or replacements) that serve so many individuals and institutions throughout the State. Success for this strategic goal is not limited to whether or not the State replaces a system, but also includes the maximization of scalability, effectiveness, and ongoing viability while minimizing costs for procurement, programming, implementation, training, and ongoing maintenance.

Currently, the Department has submitted a change request that will begin to address this strategic goal through its November 1, 2012 Budget Request. This request is a Decision Item for COFRS II eProcurement System Program Resources. For FY 2012-13, the Department received approval for three formal change requests that will also begin to address this strategic goal. These requests were: Replacement of the CUBS (Columbia Ultimate Business Systems) database, Purchase of E-Filing System (Office of Administrative Courts), and a capital development request in conjunction with OIT to replace the Colorado Financial Reporting System (COFRS). From a strategic perspective, it is important to note that the issue of failing or under-performing systems is not limited to the four noted in the requests above, though they likely represent the most impactful. The Department will continue to work with various other state agencies to identify and replace or upgrade other systems that are not performing optimally. Finally, accomplishing this strategic goal will require a number of incremental accomplishments that can most accurately be measured by “yes” or “no” responses. Therefore, the performance measures associated with this performance-based goal are not necessarily continuous in nature, but rather dichotomous responses regarding incremental progress.

With respect to the Department’s November 1, 2012 Budget Request, and in support of this performance-based goal, the Department has requested additional spending authority for Colorado State Archives to implement ongoing preservation, digitization, and conservation of the vital historical records. This will ensure continued access by the branches of the State of Colorado and its citizens to these critical records. The Department has also requested spending authority for tax document processing pipeline efficiencies garnered through the Department of Revenue Pipeline Lean Project. A corresponding Capital Construction request will procure the hardware, software, and personal services contracts necessary to implement the new process, including the purchase and installation of two high-speed scanners at the IDS – Pueblo location. A personal services reduction is partially offset by an increase in the Operating Expenses line item to account for maintenance, licenses, and equipment not included in the capital construction request, but also required for implementation.

### *3. Implement the Talent Agenda Initiative*

During the 2012 legislative session, the Governor’s Office and Department of Personnel & Administration (DPA) worked together to propose changes to the State Personnel System. House Bill 12-1321 and House Concurrent Resolution 12-1001 (Amendment S) jointly are referred to as the “Talent Agenda.” The Talent Agenda ensures the State is better able to recruit, retain and reward top talent by increasing flexibility in hiring processes, making changes to employee compensation and moving the State workforce environment into the 21<sup>st</sup> Century. State Personnel Director’s Administrative Procedures were updated following passage of House Bill 12-1321. If Amendment S passes, additional rule changes will be required. In addition, many internal policies, procedures, and technical assistance needs to be updated and human resources personnel and supervisors and managers will need to be trained. Furthermore, the Department is investigating the creation and implementation of a statewide wellness program to further enhance employee engagement and productivity.

## PERFORMANCE MEASURES TO SUPPORT THE PERFORMANCE BASED GOALS

The following table shows the performance measures developed through the strategic planning meetings conducted by the Department's leadership during the summer and fall of 2011, and revised during the fall of 2012 to address SMART Audit findings. The table also shows the program to which the performance measure applies and the benchmarked objectives for each measure.

The following SMART Audit findings were addressed for FY 2013-14, as indicated by major topic:

- **Budget**: The audit found that only 57 percent of the Department's budget and 73 percent of our key program areas were covered by its performance measures. For FY 2013-14, the Department added additional performance measures to cover all key program areas.
- **Strategic Plan**: The Plan now addresses the Performance Evaluation requirement in that benchmark data is now available with the close of the first year for reportable measures and is now reported. Given that many of the performance measures were new, benchmark index data was not yet available. To the extent that the Department recently formulated revised goals, many new performance measures were developed and the "progress" towards achieving those goals could not be analyzed at that time.

The Department has also included as appendices to this document, its Department Description and Line Item Descriptions to address the requirement that an Introduction and Department Summary be included

- **Performance Goals**: The revised Strategic Plan now meets the "Indicates Intended Purpose of the Department" requirement by clarifying the title its second goal, "Modernize DPA Systems that are Outdated, Ineffective, or on the Verge of Failure," to better reflect that this goal is integral to the purpose of the Department.
- **Performance Measures**: Finally, individual performance measures and goals were updated to address the following areas:

"Measure Corresponds to Goal": The first Departmental Goal, "Improve Customer Service" was expanded to include the importance of communicating to customers the value/savings potential or revenue maximization potential associated with its products or services,

"Understandable to the Public": Given the nature of the Department's role which is primarily directed to service delivery to state agencies rather than direct to citizens, its performance measures are similarly focused. The Department did revise those measures in which it was possible to revise verbiage in a way that would make them more understandable to the public.

"Indexed to a Baseline" and "Realistic": Similar to the "Performance Evaluation" requirement of the SMART Act, the Department has addressed these requirements by adding benchmark data that now available with the close of the first year for reportable measures.

“Successful Performance”: The Department believes that its original multiple measures, to “Continually improve the perception and image of the Department through the Department’s annual survey of customer satisfaction” addresses the Department’s objective to always strive to improve its perception and image, even though it will never attain 100% satisfaction in a finite period of time.

“Meaningful Measures” and “Quantifiable”: Multiple performance measures for the FY 2012-13 Strategic Plan were found not to measure something that is directly or partially controlled by the actions of the Department, or quantifiable. Those measures have been revised from a focus of “Securing Spending Authority” for particular projects, to “Completion of Implementation” for those projects, now that funding has been secured, and the implementation is within the control of the Department. The metrics for these measures are still “yes/no”, however, the Department believes that this is measurable.

Performance Measure	Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Maintain or increase savings for Integrated Document Services as compared to the private sector, as reported in the Department of Central Services annual cost savings report.	Division of Central Services	1	Benchmark	\$4,000,000	\$4,200,000	\$4,200,000	\$4,400,000
			Actual	TBD <sup>1</sup>	TBD <sup>1</sup>	TBD	TBD
Implement a minimum of one duplication reduction plan per year.	Division of Central Services	1	Benchmark	1.00	1.00	3.00	3.00
			Actual	TBD	6.00	TBD	TBD
Increase the percent of customers reporting satisfaction with overall services received from DPA.	All Divisions	1	Benchmark	N/A	N/A	40%	42%
			Actual	N/A	38%	TBD	TBD
Among employees served by C-SEAP, improve effectiveness at work as measured by self-reported absenteeism, presenteeism, and workplace distress through a standardized and empirically validated instrument. The measure is the average percent of clients presenting improvements in these 3 areas.	Executive Director's Office	1	Benchmark	N/A	50.0%	50.0%	50.0%
			Actual	N/A	51.7%	TBD	TBD

Performance Measure	Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Increase preservation efforts of the archival collection as measured by the percent of the audio collection which is digitized.	Executive Director's Office	1	Benchmark	N/A	N/A	N/A	10.0%
			Actual	N/A	N/A	TBD	TBD
Evaluate and maintain state buildings based upon the industry standard rating scale as measured by the number of buildings assessed/percentage of buildings above the Facility Condition Index of 0.85.	Executive Director's Office	1	Benchmark	N/A	N/A	2719 / 24%	2668 / 25%
			Actual	2433 / 35%	2424 / 35%	TBD	TBD
Increase statewide employee engagement as measured through the biennial employee engagement survey that aggregates several factors including: leadership satisfaction, resource availability, motivation, involvement, compensation, teamwork and values. FY 2010-11 was the first year of implementation.	Division of Human Resources	1	Benchmark	N/A	67.0%	70.0%	70.0%
			Actual	64.0%	61.0%	N/A	65%
Deliver effective training classes/workshops as measured through training evaluation responses, an overall rating between 3.75 to 4.25 on the question "Training/ Workshop provided knowledge and or/skills useful for my current job."	Division of Human Resources - Training	1	Benchmark	N/A	N/A	3.75	4.00
			Actual	N/A	N/A	TBD	TBD
Increase net recoveries in terms of dollars collected through the Collections Office (benchmark is prior year actual).	Central Collection Services	1	Benchmark	\$15,545,905	\$17,086,301	\$20,100,280	TBD
			Actual	\$17,086,301	\$20,100,280	TBD	TBD
Increase the utilization of the Commercial Cards by 3% over prior year actual as measured by the dollars spent through the program on an annual basis. <sup>3</sup>	State Purchasing Office	1	Benchmark	\$216,862,917	\$166,122,695	\$126,737,000	\$130,539,110
			Actual	\$161,284,170	\$168,555,167	TBD	TBD

Performance Measure	Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Reduce turnaround time for High Risk/not Pre-reviewed contracts by 20, 10, and 5% over three years (measured in mean number of days). FY 2012-13 will be the first year of measurement.	Office of the State Controller	1	Benchmark	N/A	N/A	TBD	TBD
			Actual	N/A	N/A	TBD	TBD
Provide statewide access to the Address Confidentiality Program by increasing by 7% annually the number of Colorado counties with at least one trained and registered "Application Assistant" who can enroll qualifying crime victims into the program until complete statewide accessibility is achieved.	Executive Director's Office	2	Benchmark	N/A	N/A	43	46
			Actual	39	40	TBD	TBD
Complete scheduled implementation task through month 10 / month 22 for modernization of the Colorado Financial Reporting System (COFRS) by July 1, 2013.	Office of the State Controller	2	Benchmark	N/A	N/A	Yes	Yes
			Actual	N/A	N/A	TBD	N/A
Complete scheduled implementation task through month 10 / month 22 for the E-Procurement system as part of the COFRS II project by July 1, 2014.	State Purchasing Office	2	Benchmark	N/A	N/A	Yes	Yes
			Actual	N/A	N/A	TBD	TBD
Complete implementation of the upgrading and enhancement of the CUBS database within the Department's Collections program by July 1, 2013 (funding is for one year).	Central Collection Services	2	Benchmark	N/A	N/A	Yes	N/A
			Actual	N/A	N/A	TBD	N/A
Increase alternative powered vehicles, including all hybrid, CNG, electric, propane, fuel cell vehicles by 10% annually.	Division of Central Services	2	Benchmark	N/A	N/A	415	456
			Actual	366	377	TBD	TBD

<b>Performance Measure</b>	<b>Program</b>	<b>Applies to Strategic Goal</b>	<b>Outcome</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Estimate</b>	<b>FY 2013-14 Request</b>
Decrease overall Kilowatt Hours (KwH) of electricity consumed by properties maintained by Capitol Complex by 3% annually beginning in FY 2012-13, and 1% annually thereafter.	<b>Division of Central Services</b>	2	Benchmark	N/A	N/A	23,733,783	23,496,446
			Actual	24,325,663	24,467,818	TBD	TBD
Increase the efficiency and timeliness of the OAC as measured by the total number of orders and notices that are delivered by email.	<b>Office of Administrative Courts</b>	2	Benchmark	1,673	10,151	10,825	11,908
			Actual	9,228	9,841	TBD	TBD
Increase the efficiency of the OAC as measured by the number of cases that are electronically opened through the soon to be implemented e-filing system.	<b>Office of Administrative Courts</b>	2	Benchmark	N/A	N/A	50	250
			Actual	N/A	N/A	TBD	TBD
Increase the efficiency and timeliness of the SPB as measured by the total number of orders and notices that are delivered by e-mail.	<b>State Personnel Board</b>	2	Benchmark	1,000	1,125	1,150	TBD
			Actual	1,020	1,136	TBD	TBD
Increase the efficiency of the SPB as measured by the number of cases that are electronically opened.	<b>State Personnel Board</b>	2	Benchmark	125	140	144	250
			Actual	128	142	TBD	TBD
Increase participation rate in State's medical benefit programs by adjustment of the plan design, contribution rates, and marketing of the plan as measured by the enrollment rate.	<b>Division of Human Resources - Benefits</b>	3	Benchmark	N/A	79.0%	81.0%	TBD
			Actual	77.0%	76.8%	TBD	TBD
Increase participation rate in State's dental benefit programs by adjustment of the plan design, contribution rates, and marketing of the plan as measured by the enrollment rate.	<b>Division of Human Resources - Benefits</b>	3	Benchmark	N/A	83.0%	85.0%	85.0%
			Actual	81.0%	79.3%	TBD	TBD

Performance Measure	Program	Applies to Strategic Goal	Outcome	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Estimate	FY 2013-14 Request
Move the State's workforce to 100% of prevailing salary compensation through the total compensation process as measured by the % difference between the State's average salary and market average salary reported through the total compensation letter and reports (negative value indicates the State is below market average by that percent).	Division of Human Resources - Compensation Unit	3	Benchmark	0%	0%	0%	0%
			Actual	0.50%	-3.20%	TBD	TBD
Increase the effectiveness of the State's Workers' Compensation safety and prevention programs as well as the efficiency of the State's case management as measured by a decrease in the dollars of loss incurred per \$100 dollars of payroll.	Division of Human Resources - Risk Management	3	Benchmark	\$1.12	\$1.10	\$1.07	\$1.05
			Actual	\$1.12	\$1.29 <sup>2</sup>	TBD	TBD
Increase the effectiveness of the State's Workers' Compensation safety and prevention programs as well as the efficiency of the State's case management as measured by decreases in the number of claims filed against the State per 100 employees.	Division of Human Resources - Risk Management	3	Benchmark	7.80	7.80	7.60	7.60
			Actual	9.09	7.44	TBD	TBD
Increase the effectiveness of the State's Auto Safety Program as measured by decrease in the dollars of Auto Liability loss incurred per State Employee.	Division of Human Resources - Risk Management	3	Benchmark	N/A	N/A	\$9.16	\$8.70
			Actual	\$7.99	\$9.64	TBD	TBD
Increase the effectiveness of the State's Property Insurance Program as measured by decrease in the dollars of Property loss incurred for every \$10,000 of Total Insured Value (TIV).	Division of Human Resources - Risk Management	3	Benchmark	N/A	N/A	\$2.84	\$2.70
			Actual	\$3.32	\$2.99	TBD	TBD

<sup>1</sup> Data for FY 2010-11 and FY 2011-12 is collected and is in the process of being analyzed for an overall savings determination by mid-November.

<sup>2</sup> One large claim raised this amount from \$1.20/\$100 of payroll to \$1.29/\$100 of payroll.

<sup>3</sup> Through FY 2010-11, Commercial Cards included the Procurement Card only. From FY 2011-12 on, Procurement Cards and Travel Cards are included. Also in FY 2011-12, various Institutes of Higher Education began to opt out of the State's Procurement Card program, with the peak of opt-outs occurring in FY 2012-13. Therefore, the benchmark has been reset in FY 2012-13 in anticipation of decline, with 3% growth resuming thereafter.

## FY 2013-14 DEPARTMENT DESCRIPTION

### Department of Personnel & Administration Background Information

The Department of Personnel & Administration (DPA) provides centralized human resources, information, tools, resources and materials needed for Colorado State government to function. The Department provides much of the infrastructure by which the rest of State government operates. The programs and services provided by the Department are vitally important to the efficient and effective operation of State government.

Due to the nature of the Department's business, service to customers is the Department's driving force. The Department's customer base is three-fold; the Department serves State agencies, State employees, and the public. The Department of Personnel & Administration's State government customers include State departments, institutions of higher education, the General Assembly, local government entities, and State employees. The Department operates as a business and service center for programs conducted throughout State government. The Department believes success depends upon offering quality and value to customers and stakeholders by providing economically efficient and sound services while adhering to the highest standards of integrity. Employees are an important base of the Department's internal customers and are the State's most valuable resource. The Department serves tens of thousands of public employees and is committed to ensuring human resources processes provide for the best recruitment, selection, job evaluation, compensation, and retention methods available today. The Department's goal is to develop an environment in which employees can be productive, creative and function at their highest level.

### Executive Director's Office

The Executive Director's Office (EDO) is responsible for essential duties that impact the department and a multitude of State agency customers. The office provides the Department with operational management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations. In addition, the internal support functions of Budget, Accounting, Human Resources, the Public Information Officer and the Legislative Liaison interact with agencies statewide in many areas, including common policies, billing and Colorado Open Records Act requests. The Executive Director is Kathy Nesbitt and the Deputy Executive Director is Jennifer Okes. The office is funded with both General Fund and Reappropriated Funds, including indirect cost recoveries, fees from user agencies, and Statewide indirect cost recoveries.

The Colorado State Employee Assistance Program (C-SEAP) is directed by Randi Wood and consists of statewide services from professionals who provide State employers and employees with confidential counseling and referral, mediation, coaching, group facilitation, crisis response, organizational consultation/development, and educational services. The program facilitates preventative intervention processes to help managers and supervisors improve productivity and curtail workplace risk issues before they become liabilities. The Program is funded with Reappropriated Funds

including, but not limited to, funds from the Group Benefit Plans Reserve Fund, the Risk Management Fund, and any interest derived from said funds. The Colorado State Employee Assistance Program reports to the Executive Director's Office.

The Office of the State Architect (OSA) integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise. This office is overseen by the State Architect - Larry Friedberg. This program's primary duties include establishing policies and procedures for capital construction and controlled maintenance projects including; solicitation of design and construction services, project management, code policy compliance, energy management/High Performance Building Certification, prioritizes and establishes the annual state wide controlled maintenance budget and administers the controlled maintenance emergency fund. Comprehensive project administration support and training are also provided to all state agencies and institutions in all aspects of design and construction. In addition, the Office of the State Architect establishes policies, procedures, and provides training for all State agencies and institutions relating to state leases and other real estate transactions. The office provides an annual report to the Governor's Office and State Assembly outlying statewide construction and real estate activities. This program is funded by the General Fund and reports to the Executive Director's Office.

The Colorado State Archives plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado's territorial and State governments. The unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts in regards to preservation and management of records. These records are a valuable business asset to the State and are recorded in a variety of media including paper and electronic formats. The unit also provides citizens and State agency access to the records in its custody for legal and research purposes. This unit is funded by General Fund, Cash Funds from user fees from non-State agencies, and Reappropriated Funds from user fees from State agencies.

The Address Confidentiality Program was transferred to the Department of Personnel & Administration as a result of HB 11-1080. This program, which is directed by Jacqueline Cash, provides a means to victims of violent crimes to conceal their true physical address when this information is required from entities whose records are subject to public scrutiny or easily obtained through simple inquiry. The program provides the victims that are enrolled in the program a generic address at a State facility, an identification card that is accepted at nearly all governmental offices, and the benefit of automatically forwarding personal mail (not packages, junk mail, flyers, or periodicals, such as magazines) to the victims' physical address. The program works with utility companies to ensure that the individuals enrolled in the program are provided as much confidentiality as can be had while still providing essential services such as gas, electric, water, internet, and cable. This unit is funded through a fee (Cash Funds) assessed to individuals that are convicted of a number of crimes that may warrant the victims' enrollment into this type of service.

Finally, the Executive Director's Office, (B) Statewide Special Purpose section contains a section called (4) Other Statewide Special Purpose. This section contains two distinct line items that do not fit within the scope of any of the Department's other divisions.

The first line item is the Test Facility Lease which is funded through the General Fund. In 1970, the State agreed to a 50-year lease of 33,492 acres of land free of charge to the U.S. Transportation Department, Federal Railroad Commission (FRC). The site was to be used for a high speed train test site in order to boost economic development in that region. The appropriation to this line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado.

The second line item is the Employment Security Contract Payment, which was created in order for the State to enter into employment security contracts. This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports a contract with a private company (Employer's Edge, LLC) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding institutions of higher education.

### **Division of Human Resources**

The Division of Human Resources (DHR) provides expertise, leadership, and consultation in the development and strategic management of statewide human resources and protection of State assets. The Division's two primary duties are to maintain the integrity of the State Personnel System and to manage the State's risk. It derives its statutory authority to perform these duties through Art. XII, Section 14(4) of the State Constitution, 24-50-101(3)(c), 24-50-102, the Risk Management Act, C.R.S. 24-30-1501 et seq., and the Governmental Immunity Act, CRS 24-10-101 et seq. The Division Director and State Chief Human Resources Officer (CHRO) is Deborah Layton - Root.

The Division establishes statewide human resource programs and systems to meet statutory requirements and provides appropriate services to the Human Resources Offices located in state departments, institutions of higher education, and the offices of elected officials (hereafter "departments"). The CHRO is responsible for processing and final approval of Director's appeals and disputes and coordinates the division's participation in the Labor-Management Partnership Initiative.

The Division includes the Human Resources Analytics Unit, which maintains the complete statewide classified workforce and benefit dataset by integrating data from disparate sources, including higher education. These data are the basis for numerous fiscal impact and costing analyses that the unit conducts in collaboration with the Department's Executive Office, the Office of State Planning and Budgeting, and Legislative Council staff

The State Office of Risk Management (SORM) is a unit that operates under the authority of the Risk Management Act, CRS 24-30-1501 et seq., and the Governmental Immunity Act, CRS 24-10-101 et seq. The unit provides loss control training and consulting services and manages the State's self-insured liability and workers' compensation program. SORM also manages the property insurance programs, through a brokerage contract with IMA of Colorado. These services are provided to all state departments and institutions of Higher Education except the following: University of Colorado system, Colorado State University at Fort Collins, Adams State University, Western State University, Fort Lewis College, Mesa State College of Colorado, and the University of Northern Colorado. The State Office of Risk Management is funded with Reappropriated Funds, including the Risk Management Fund, the State Employee Workers' Compensation Fund, appropriations to other departments for the Risk Management Fund, appropriations to other departments for the Self-Insured Property Fund, and appropriations to other departments for the State Employee Workers' Compensation Fund. The Workers' Compensation Fund provides the funding source for the Colorado State Employees' Assistance Program (CSEAP) in the Executive Director's Office.

The Consulting Services Unit is responsible for training and advising the human resource community to mitigate the State's employee liability risk. The Statewide Training and Development Center (Training Unit) offers state agencies and employees flexible and interactive training opportunities that include career development, leadership training, and supervisory certificate programs. This unit is mostly funded by Reappropriated Funds from training revenue from State agencies. A small portion of the Training Unit revenue is Cash Funds from training revenue from non-State agencies.

The Compensation Unit is responsible for providing technical advice and maintaining the State's job evaluation and compensation systems, including the establishment of job classes and pay, leave policy administration. The Compensation Unit maintains the job evaluation system, which is a method of grouping individual job assignments into different job categories based on the nature of the work. The overall goal of the job evaluation system is to provide an efficient way for the State to organize its approximately 33,000 individual position assignments and ensure the equitable pay of employees performing similar work. The Compensation Unit oversees statewide compliance with the Family and Medical Leave Act (FMLA), the Fair Labor Standards Act (FLSA), personal services contracts review as a central approver, and coordinates with the Office of the State Controller regarding independent contractor issues related to Internal Revenue Service, US Department of Labor, and Colorado Department of Labor and Employment regulations. In addition, the Compensation Unit conducts the annual survey that compares state salaries and benefit contributions with those paid in the private and public sectors. The Executive Director bases recommendations to the Governor and General Assembly on the data collected through this survey process.

The Employee Benefits Unit administers the employee group benefits plans which include the initial design of the employee benefit programs as well as the subsequent contractual, administrative, and financial management of these benefits programs. The unit is responsible for legal compliance with a number of federal and state laws, including administering COBRA and HIPAA. The Compensation Unit is funded with Reappropriated Funds, including indirect cost recoveries and Statewide indirect cost recoveries from other departments. The Employee Benefits Unit is funded by Cash Funds in the Group Benefit Plans Reserve Fund.

### **Constitutionally Independent Entities**

The Constitutionally Independent Entities long bill group was created by the Department's realignment decision item that was passed during the 2009 Legislative Session. This group contains the State Personnel Board, which is a program created within the State's Constitution and is not subject to the oversight of the Department.

The State Personnel Board (SPB) adjudicates employment disputes within the State classified system and is responsible for promulgating rules to ensure that State employment is based on merit and fitness. The Board derives its constitutional authority from art. XII, §§ 13(10) and 14(3) and its statutory authority from §§ 24-50-101, *et seq.*, C.R.S. 2010. The Director is Dana Shea-Reid. The Board employs Administrative Law Judges (ALJ), conducts administrative hearings, promulgates rules under the authority of the State Constitution, various State Statutes, and State Administrative Procedures Act, and facilitates dispute resolution. The Board is funded for personal services mostly through General Funds with Cash Funds making up the remainder through receipts collected for copies of information and case documentation, for legal services through General Funds and for operating expenses through Reappropriated Funds from Statewide indirect cost recoveries from other departments.

The Board is constitutionally established with five members, each serving five-year terms. The Governor appoints three members and the remaining two members are elected by State employees. The cases presented to the Board include issues of discrimination, retaliation under the State Employee Protection Act, layoff and retention disputes, wrongful discipline and other employment related issues. The Board's staff conducts settlement conferences, facilitates settlement negotiations between State agencies and their employees and encourages parties to resolve their cases on their own terms, whenever possible. Additionally, the Board conducts training for departments and agencies upon agency request. The Board ultimately seeks to provide guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management through rules, decisions, communication, and training.

### **Division of Central Services**

The Division of Central Services (DCS) is managed by Scott Madsen and exists to maximize efficiencies for the State and for individual agencies by consolidating internal common business services to take maximum advantage of economies of scale. The Division's primary focus is to provide those internal support services to the agencies with the quality, turnaround and cost that will facilitate the agency's successful deployment of services to the State's citizens. To this end the Division's mission is to "provide the best value to the State in every service offered and to every customer served." The Division provides support and services in the areas of state buildings and facilities, grounds maintenance, state fleet vehicle management, graphic design, print services (digital and press), imaging services (scanning and microfilm), data entry, copiers, mail processing and delivery, state identification cards, and secure warehousing and fulfillment. DCS also oversees the administration of the Address Confidentiality Program for victims of domestic abuse. The Division of Central Services is funded with Reappropriated Funds from user agencies deposited in the Department of Personnel Revolving Fund and the Motor Fleet Management Fund.

The Division's long-term goals are to create the highest possible value for its customers, to develop and sustain a thriving team of employees, and to be recognized as an industry leader in each of its service units. The Division is able to provide competitively priced and high valued services through professional management, skilled and dedicated employees, and consolidated service efficiencies. Because of its sizable customer base, the Division is able to coordinate and control common support services while providing lower costs through economies of scale and volume.

The Integrated Document Solutions (IDS) unit has operations in Pueblo and Denver and serves state agencies, institutions of higher education and municipalities statewide. The Integrated Document Solutions group exists to provide high quality, economical and comprehensive document and data related business support services to its customers. These services include graphic design, print operations, mail operations, data entry, imaging services, and warehousing and fulfillment. The program also manages the rental of on-site low volume multi-function devices (copy, print, scan and fax) to state agencies. The unit strives for customer satisfaction through quality work, rapid turnaround time, discounted postage, advanced technology services and "one stop shopping." Integrated Document Solutions is funded with Reappropriated Funds from user agencies deposited in the Department of Personnel Revolving Fund.

State Fleet Management (SFM) provides management oversight for all of the vehicles in the state fleet program. State Fleet Management provides vehicle purchasing, management of maintenance, repairs and preventive services, collision management, vehicle reassignment, fleet monitoring and reporting. The program also manages the auction and salvage of older vehicles and operates the State Motor Pool for daily rentals. State Fleet Management also oversees the state fleet alternative fuels and energy sustainability programs in support of the Governor's Greening Initiatives, and purchases as many alternative fuel vehicles for the state fleet as feasible in any given fiscal year to achieve the State's energy program goals. State Fleet Management is assisted by an advisory body, the Motor Vehicle Advisory Council (MVAC), with representatives from each user agency and institution. The program is funded with Reappropriated Fund fees from user agencies deposited in the Motor Fleet Management Fund.

Facilities Maintenance (Capitol Complex) is responsible for property management and maintenance for all state buildings and facilities located downtown and at the Lakewood, Grand Junction, Camp George West and North Denver Campus locations. The unit is responsible for statewide coordination of services and required funding, including calculating and establishing rates for all services referenced, and periodically calculating and identifying appropriation needs for all state agencies that utilize its facilities and services. Working closely with the Office of the State Architect, this unit has implemented many energy efficiencies. The self funded savings generated through the performance contract have allowed for a broad range of energy and Greening Government initiatives throughout the complex including energy efficient lighting, upgraded HVAC, the placement of state-of-the-art solar panels at the State Capitol, the Governor's Mansion, and the 1881 Pierce facility and now in FY 2012-13 the completion of a large scale geothermal project to assist with the heating and cooling of the State Capitol. The State Capitol and the Governor's Mansion were the first in the nation to be LEED certified for energy efficiency. Facilities Maintenance is funded almost entirely by Reappropriated funds from user fees from other state agencies deposited in the Department of Personnel Revolving Fund.

### **Division of Accounts and Control - Controller**

This Long Bill Group consists of four primary components:

The Office of the State Controller (OSC) provides management, monitoring and oversight of the State's financial affairs. The State Controller's position, currently held by David McDermott, is appointed by the Executive Director of the Department with approval of the Governor but is required to report directly to the Legislature on fiscal matters. The State Controller also has Constitutional responsibilities related to fund deficits and the related validity of appropriations. The Office of the State Controller prepares the State's financial Statements and other constitutional and statutory reports including the TABOR Schedules. The office also administers the State budget; promulgates fiscal rules, policies, and procedures to implement a unified system of accounts; is the business owner of the state's accounting system – Colorado Financial Reporting System (COFRS); issues warrants and electronic funds transfers (EFTs) to pay State obligations; develops procedures and administers training related to contract approval; manages the Vendor Offset Program, the Contract Management System, the Recovery Audits Program (related to the Federal Improper Payments Act), the Fraud Hotline, and is the final signatory on the issuance of centralized State borrowings not otherwise delegated to State agencies in statute. This office is funded by General Fund, Cash Funds from rebates received from the Procurement Card Program, and Reappropriated Funds from Statewide indirect cost recoveries.

The State Purchasing Office (SPO), which is managed by Carol Pfarr, manages Statewide centralized procurement with duties that include the promulgation of the State's procurement rules; procurement education and leadership; procurement and administration of Statewide price agreements; conducting procurement services for non-delegated agencies; and appeals authority for bid protests.

The Supplier Database Unit primarily supports business operational and database needs of the State Purchasing Office. This Office is funded by Cash Funds from the Supplier Database Cash Fund and includes the development of the statewide e-procurement system.

Central Collection Services is a program that serves as a central accounts receivable function and actively collects debts owed to State agencies, departments, and institutions after initial collections efforts have been unsuccessful. This office is funded with Cash Funds from collection fees assessed to individuals and Reappropriated Funds from collection receipts previously booked as cash.

The State Travel Management Program (STMP) oversees and monitors all state employee travel, including travel suppliers, travel card systems, airlines, rental car agencies, lodging providers, travel agencies and various incidental suppliers. In addition, the program provides guidance, education and compliance support to travel compliance designees, state travelers, political subdivision program participants and travel vendors concerning the intricacies of the program policies, procedures, compliance, enforcement and rules. This high-volume customer base enables the State to negotiate exceptional rates and benefits. The program also provides consolidated reporting and analysis of state travel as requested. The program has an advisory body, the State Travel Management Program Vendor Roundtable, and is funded entirely through travel agency and car rental fees.

### **The Office of Administrative Courts**

The Office of Administrative Courts (OAC) provides an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The Director and Chief Judge of the OAC is Matthew Azer. The OAC is one of approximately two dozen central panels of independent Administrative Law Judges (ALJ's) in the United States. The judges are independent from the agencies for which they conduct hearings and decide cases. The OAC hears and decides administrative law matters for a total of more than 50 State departments, agencies, boards and county departments. The OAC serves the State's citizens from three office locations; the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional office in Colorado Springs. In addition, the Office of Administrative Courts provides hearings at other regional locations, such as Durango, Pueblo, Glenwood Springs, and Greeley. The operation of regional offices allows citizens to have easier access to administrative hearings without having to travel to the Denver metro area. The office is funded by Cash Funds from user fees from non-State agencies and Reappropriated Funds from user fees from State agencies.

The Office of Administrative Courts conducts all Workers' Compensation merits hearings for the entire State; all public benefits cases (food stamps, Colorado Works, Aid to Families with Dependent Children, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, teachers, engineers, etc.); and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act. In addition, the OAC routinely conducts

hearings for the Department of Education, the Department of Agriculture, the Department of Personnel & Administration, the Department of Corrections, the Department of Public Health and Environment, the Department of Revenue and select school districts.

### **Prior Year Legislation**

#### ***SB 12-150 “State Treasurer Auth to Manage State Financing” (Schwartz - Sonnenberg)***

SB 12-150 was adopted which reduced \$42,951 GF and 0.5 FTE from (5) Division of Accounts and Control beginning in FY 2012-13. The legislation centralizes management of certain state public finance transactions in the State Treasurer’s Office. The bill requires the State Treasurer to act as the issuing manager for most state agencies for approved issuances or incurrence of financial obligations, such as bonds, notes or warranties when the amount is at least \$1 million and repaid in whole or part from state revenues. Prior to the passage of this bill, DPA was appropriated 1.0 FTE in the Office of the State Controller for issuance and post-issuance compliance review. These responsibilities, and the portion of the position associated with post-issuance compliance, were transferred to the State Treasurer’s Office.

#### ***SB 12-156 “DPA Authority to Expend Gifts Grants & Donations” (Steadman - Gerou)***

With the passage of SB12-156, the DPA has the ability to accept and expend custodial gifts, grants and donations. Custodial funds are defined as funds given to the State that can be specifically identified and set aside are for a specific purpose, for which the State is to act as a custodian and which are not available for the general use of the State. With the ability to accept custodial funds, the Department will be able to reestablish the Colorado State Employees Assistance Program (C-SEAP) Emergency Fund and assume the administrative functions of receiving and approving applications and distributing individual grant awards to state employees in need.

#### ***SB 12-111 “Full-time Equivalent Employees Dept Reporting” (Hodge - Levy)***

This bill modified full time equivalent (FTE) reporting requirements for state agencies. The bill eliminates a requirement that each department reconcile authorized positions with the number of payroll warrants issued on a monthly basis and allows reconciliations to compare authorized FTE and appropriated FTE. Under this legislation, institutions of higher education are now required to report authorized FTE and DPA is required to prepare a report with consolidated information for all state agencies on or before October 1 of each year.

#### ***SB 12-112 “Full-time Equivalent Employees Definition” (Hodge - Levy)***

This bill modifies the definition of a FTE to account for the actual number of work hours performed in a fiscal year. Under current law, a FTE is defined as a state employee who is paid for at least 2,080 hours per fiscal year, with adjustments made for paid leave, overtime or shift differential pay, and leave payouts upon termination.

#### ***HB 12-1246 “Reverse Payday Shift State Employees Paid Biweekly” (Becker – Hodge)***

HB 12-1246 reversed the 2003 pay date shift for bi-weekly paid state employees. This bill will result in an additional biweekly payroll to be paid from FY 2011-12 budgets, an estimated \$1.6 million. Beginning in 2013, biweekly-paid employees will receive their final June paycheck in June as

regularly scheduled and not July. The bi-weekly payday shift causes significant financial disruption for many of the lowest paid state employees and the passage of HB 12-1246 is the first step in progress toward reversing in whole the 2003 pay date shift.

***HB 12-1321 “Modernization of the State Personnel System Act” (Ferrandino - Johnston)***

HB 12-1321 is the first step in addressing challenges that face state employees. This bill contains statutory changes to the personnel system that will take effect September 1, 2012. This legislation:

- Eliminates the “pay for performance” system and introduces a quartile system to move employee’s base salaries along according to performance evaluations and where they fall within the salary range. The State Personnel Director will now have the ability to identify the lowest paid group of employees and find opportunities to move them to the mid-range of base salaries.
- Creates the ability for departments to use reversion dollars to assist in funding merit pay for employees.
- Phases out the practice known as “bumping,” in which employees whose positions are eliminated are permitted to displace less senior employees in the State personnel system. Bumping rights will no longer be available to any employee who is not within five years of full retirement, as defined in 24-51-602 (1) (a). This change will create more certainty when there are shifts or reductions in the state workforce.
- Additionally, employees who are separated from state service due to a layoff may be eligible to receive postemployment compensation, including but not limited to severance pay, health benefits, tuition or educational training vouchers, or placement on a reemployment list. Seniority and performance will continue to be guideposts in any layoff plan.

The General Assembly also approved HCR-1001 this spring. Because the state’s personnel rules are embedded in the Colorado Constitution, the changes proposed in this referred measure must be approved by the voters. The measure will appear on the November ballot as Amendment S and, if approved, would increase the flexibility of the state’s personnel system.

<b>Hot Issues</b>
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***Improve customer service*** – DPA undertook a strategic planning effort that focused on opportunities for improving customer service.

The Department of Personnel & Administration (DPA) provides infrastructure, resources, information, tools and materials to all state agencies, essentially serving as the backbone for state government. Our programs and services are key to ensuring the effective and efficient operation of Colorado state government. In FY 2011-2012, DPA undertook a strategic planning effort that evaluated and assessed opportunities for improving our image and customer service, particularly in statewide human resources and procurement. DPA determined that three overarching performance goals encapsulate the desired strategic direction for the Department:

1. To improve customer service;
2. Upgrade or replace systems that are outdated, ineffective or on the verge of failure; and
3. Chair the Talent Agenda initiative.

During the process that generated these goals, the Department's leadership team created a new vision, mission, Department slogan, value statements and division-wide goals to support these goals. Division managers also set synchronized individual performance measures with the program-, division- and department-wide goals to provide a clear path to success for all levels of the organization.

***Increase employee engagement*** – DPA has made significant progress in engaging state employees, through multiple outreach efforts.

DPA conducted the first ever Employee Engagement Survey, enabling the Administration to formulate informed strategies with respect to the hiring, training, and retention of talented employees. To generate ideas around these and other important topics, the Department has also formed a number of Human Resource Subcommittees to develop realistic approaches to the numerous HR-related issues that face the State. The Department worked with the General Assembly and Governor's Office to eliminate the pay date shift for bi-weekly paid state employees and to reverse the 2.5% PERA swap. DPA's Division of Human Resources brought medical and dental benefits to 100% of prevailing state contributions and fund balance subsidization resulting in decreases in employee contributions across the board. DPA also coordinated a breakfast with the Governor to honor top state employees from each department as part of Public Service Recognition Week.

***Modernize statewide financial system*** – DPA is working to modernize the Colorado Financial Reporting System, also known as COFRS.

The Colorado Financial Reporting System, better known as COFRS, has been the State's financial management system since the early 1990s. COFRS provides overall accounting and financial management reporting for State government in Colorado and is the system of final record. The State of Colorado relies on COFRS to pay vendors, record salary payments to state employees, distribute money to local governments and taxpayers, prepare the annual Comprehensive Annual Financial Report (CAFR), manage the State's annual budget, track and record state assets, and provide accurate and up-to-date information to taxpayers. In Fiscal Year 2010-11, COFRS processed approximately \$72 billion in combined revenues and expenditures.

Despite COFRS' overall successful performance over the past two decades, the State has been unable to keep COFRS current with improvements in technology, and it is increasingly difficult to hire and retain the necessary staff resources to support this legacy system. As described in an audit conducted in 2011, the likelihood of partial or complete failure is increasing with each passing day. As a result of these risks, the State desires to upgrade COFRS to a modern technology platform and move the system into a managed services model to mitigate staffing retention and recruitment issues. Further, the State desires to utilize a public-private partnership in which the vendor would share the financial risk during the implementation of the upgraded system.

During FY 2011-2012, a capital construction request was submitted and secured to modernize the COFRS system. DPA is currently coordinating with OIT on a decision in response to the RFI, as well as contracting for ongoing maintenance support.

***Chair Talent Agenda initiative*** – DPA spearheaded an effort to modernize the State's 92-year-old personnel system.

To continue to attract and retain top talent in the State workforce, we must modernize a personnel system that has not seen significant change since the advent of commercial radio and mass production of the Ford Model-T. “The Talent Agenda” initiative focuses on increasing flexibility in hiring processes, changes to employee compensation and moving the workforce environment into the 21<sup>st</sup> century. HB 12-1321 and HCR 12-1001 were overwhelmingly passed by the General Assembly.

HB 12-1321 was signed June 6 and rulemaking is underway for a September 1, 2012, effective date. It creates a new merit pay system based upon employees’ performance and placement within the salary range. In addition to monies appropriated for merit pay by the General Assembly, reversions from specified line items at the close of each fiscal year will provide additional merit pay funding. It also phases out the disruptive practice of “bumping,” except for any employee who is within five years of retirement. This practice is bad for both the organization and the employee, leading to non-optimal staffing assignments that are ineffective and often result in turnover. Instead, the Talent Agenda will allow for employees who are separated from service due to lack of work, lack of funds or reorganization to receive severance pay/post employment compensation or other benefits (health benefits, tuition or educational training vouchers, placement on a reemployment list or a hiring preference).

Some of the obsolete provisions related to personnel management are part of the Colorado Constitution and cannot be changed without a vote of the people. As a result, HCR 1001 was referred by the General Assembly to the November ballot. If passed, it will allow for additional flexibility in hiring some Senior Executive Service (SES) and other specified employees (not to exceed 1 percent of the classified personnel system), while grandfathering in those currently in these select positions so they retain their classified status. It also enables the State to more meaningfully acknowledge our country’s veterans for their commitment by expanding the use of “preference points” on their applications.

***Implementation of e-procurement*** – Implementation of the State’s new electronic procurement system, Colorado Market Passport (COMPASS), is scheduled for completion in FY 2012-13.

Recently named Colorado Market Passport (COMPASS), the State’s e-procurement system will standardize workflow, automate processes and increase efficiency overall in bid processing, purchasing, order tracking and accounts payable functions. The system was created as a result of SB 09-099, which required DPA to implement a centralized electronic procurement system that will improve interactions with State agencies, local governments and private business vendors. It also authorized DPA to set and collect fees (currently one percent) from vendors and local governments to cover the costs of the system. The revenue is deposited into an e-procurement account within the Supplier Database Cash Fund and is annually appropriated to the DPA for implementing and maintaining the e-procurement system.

**Workload Indicators**

**Executive Director’s Office**

C-SEAP Workload Indicator	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of contacts by the Colorado State Employees’ Assistance Program (e.g., employee cases, workplace consultations & auxiliary services)	9,001	9,224	8,456*	8,934

\* The fluctuation in the total number of contacts reflects a shift in approach by agency leadership in addressing workplace concerns. Requests for specific and focused organizational development services have, in many instances, replaced previous requests for large group training/education efforts.

Communications	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of press releases issued by the Department	0	0	0	1
Number of CORA requests responded to by the Department	Not Available	Not Available	88*	89

\* The Department began tracking this information starting in September 2010 and this number does not represent a complete year’s worth of data.

\*\* The Department began utilizing a communication service that tracks data in FY 2011-12.

**Division of Human Resources**

Training Services Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of employees trained through the Statewide Training and Development Center*	1,794	2,115	1,565	2031
Number of Registrations (total number of students enrolled in all classes)	3,475	2,997	2,325	3782
Number/dollar value of training waivers granted to departments, excluding Higher Education	375 \$10,999,361	795 \$4,279,998	776 \$4,214,128	1942** \$11,443,064**

\* This number is unique student count and does not take into account one student taking several classes.

\*\* The Division is in the process of tracking on a more detailed level the number of waivers in order to determine classes contracted by category; allowing the Division the ability to further define the use of waivers and possible consideration of conducting as much as possible in-house.

Risk Management Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of workers' compensation claims filed.	3,822	3,743	3,938	3,690
Number of liability claims filed.	1,400	1,447	1,237	1,359
Number of Property Damage Claims Filed	132	137	73	114

**State Personnel Board**

State Personnel Board Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of Case Filings	256	278	255	284
Percentage of Cases Set for Hearing Which Have Settled	71%	82%	84.74%	75.59%
Number of Evidentiary Hearings Held and Decisions Issued	15	12	17	13
Number of Days in Evidentiary Hearing	107	104	123	100
Number of Preliminary Recommendations Issued	30	27	23	35

**Division of Central Services**

Mail Operations Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Pieces of Mail Processed	44,184,424	32,830,446	31,756,720	37,092,450
Total Number of Mail Stops (per month)	268	204	187	174
Total Demand / Special Runs	1,867	692	848	305

Print Operations Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Total Print Impressions	81,007,582	75,435,517*	75,367,841	77,817,317
Total Print Jobs	5,931	4,850	4561	5,414
“Right Sourced” Printing**	\$716,140	\$1,122,599	\$843,718	\$920,610
Total Design Jobs (Includes Business Card Orders)	3,491	4,181	4224	5,424
Total Design Units (15 minute increments)	14,442	10,814	11,190	12,990

\*Beginning in FY 2009-10, IDS took steps to ensure that only critical documents are printed. Therefore, despite taking over general mainframe and warrant printing from OIT and assuming all printing for the City and County of Denver, IDS still experienced a decrease in total number of print impression from FY 2009-10 volumes.

\*\* “Right Sourced” Printing is when IDS determines the best option for a customer is to outsource the job in order to ensure the best price, quality and turnaround time. This amount dropped in FY 2010-11 due to agencies cutting back on printing for budgetary reasons.

Imaging Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
16MM (# of images)	4,954,078	630,043*	343,872*	546,609
SCAN (# of images)	9,334,353	14,584,335	13,961,804	11,254,984
Total Images (includes all types)	14,288,431	15,214,378	14,305,676	11,809,593

\*The use of microfilm has decreased in recent years, and the Integrated Document Solutions Group (IDS) has worked to reduce the reliance on microfilm even more dramatically in FY 2010-11. Currently IDS is working with Departments that rely on microfilm to determine a plan for the future, which may include the migration to scanned documents.

Electronic Data Warehouse Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Electronic Documents Stored on the Electronic Data Warehouse	50,376,071	67,876,701	83,749,017	96,409,540

Document Conversion Workload Indicators <i>(measured in documents/images)</i>	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Data Entry	5,255,923	4,904,598	4,472,845	4,632,144
Online (includes both on-line documents and on-line hours)	208,425	209,977	398,161	390,194

State Fleet Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of Vehicles in the State Fleet	5,803	5,889	5,879	5,896
Number of Miles Driven	72,824,078	68,974,133	70,413,101	69,733,974
Number of Maintenance/Repair Work Orders Generated	55,242	50,374	51,612	50,375
Average Cost per Work Order	\$155.62	\$163.87	\$155.91	\$166.06
Fuel Cost per Gallon	\$2.33	\$2.21	\$2.64	\$3.11
Total Fuel Expense	\$10,862,523	\$9,834,542	\$11,875,994	\$13,914,861
Average Miles/Gallon	15.62	15.50	15.67	15.60
Average Maintenance Cost/Mile	\$0.103	\$0.097	\$0.102	\$0.113
Average Operating Cost/Mile (Fuel & Maintenance)	\$.251	\$.239	\$.2708	\$.3125

\*Includes vehicles added to State Fleet through the passage of SB 06-15.

Capitol Complex Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of Work Orders	14,389	13,286	14,118	10,453
Number Of In House Projects	74	102	104	158

Capitol Complex Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of Insurance Projects	9	8	1	4
Number of Emergency Projects	15	11	5	7
Controlled Maintenance Projects	2	2	2	2
Controlled Maintenance Project Cost	\$860,750	\$518,643	\$588,643	\$1,018,104

### Division of Accounts and Control – Controller

Office of the State Controller Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Count of Funds Established on COFRS	805	837	701 <sup>(1)</sup>	698 <sup>(1)</sup>
Payroll Count (General Government - Personnel System and Exempt - Excludes Higher Education)	30,829	30,794	31,491	31,554
Appropriation Documents and Appropriation Transfers Documents	17,390	18,932	19,204 <sup>(2)</sup>	17,093 <sup>(2)</sup>
Governmental Accounting Standards Issued (Cumulative at year end)	56	59	64	68
Count of Vendors Paid <sup>(3)</sup>	65,202	65,135	67,469	65,142
Bills Signed By Governor	463	453	335	307
Statewide Contract Records <sup>(4)</sup>	9,780	7523 <sup>(5)</sup>	5433 <sup>(5)</sup>	5578

(1) Repealed funds were identified and removed from the count of COFRS Funds in Fiscal Year 2010-11 as part of the implementation of GASB 54. In Fiscal Year 2011-12, four funds were added, but an additional seven funds were removed as no longer in use.

(2) The reduction in Appropriation Documents and Transfers in Fiscal Year 2011-12 is primarily related to the termination of federal grants funded by the American Recovery and Reinvestment Act (ARRA).

(3) Vendor count is used as a surrogate for workload related to warrant issuance, cancellation, tracking; 1099 reporting, and vendor file management.

(4) The State's Contract Management System (CMS) was active beginning July 1, 2009 (Fiscal Year 2009-10) with different requirements placed on the use of CMS as compared to the previously used COFRS Contract Log Information (CLIN) table.

(5) The Fiscal Year 2009-10 and 2010-11 counts have been restated. Those counts and Fiscal Year 2011-12 include all contracts with entry dates during the fiscal year excluding all ARRA, Purchase Order, and Institutions of Higher Education records. The Fiscal Year 2009-10 count includes contracts that predate that Fiscal Year as agencies entered prior year contracts for tracking in CMS. The reduction in volume from Fiscal Year 2009-10 to Fiscal Year 2010-11 is the result of the prior year contracts entered in CMS in Fiscal Year 2009-10, agencies consolidating CMS records, deleting duplicate or erroneous records, and adding contract modification records that are counted as part of the original contract rather than as a separate record. State agencies have continued to consolidate and change contract records to the modification record type to more accurately reflect the action taking place, such as, adding funds or extending the original contract. The CMS logs show 2,533 records changed to the modification type and 2,503 deleted records as either duplicative or erroneous.

State Purchasing Office Workload Indicator	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Volume/Utilization of Price Agreements Statewide	\$387.6M	\$342.7M	\$359.4M	\$430.0M

Central Collections Workload Indicator	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Total Amount of Debts Collected	Not Available	\$15.2M	\$17.6M	\$19.7M
Average Collection Rate*	Not Available	25%	30%	27%

\* Measured as the average monthly collections divided by the average monthly inventory.

**Office of Administrative Courts**

Office of Administrative Courts Workload Indicators	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Number of applications for hearings received/processed (Cases Opened)*	9,398	9,385	9,140	8,433
Number of hearings held	2,678	2,598	2,620	2,606
Number of days/hours in hearings (Bench Time)	3,387	3,179	3,080	3,812
Number of hours billed	42,804.8	39,810.5	43,323.70	44,752
Average number of days from application to hearing date (workers' compensation cases only)	121.7	Unavailable**	Unavailable**	106.5

\* This is data for total applications received for hearing in workers' compensation cases. Multiple applications can be filed under a single case number. The total number of cases opened (all matters) will only count a single case number, regardless of the number of requests. The "total cases opened" is used to determine the hearings held and the percentages.

\*\* The OAC is not confident that it can accurately report this data with its current case management system. Because multiple applications can be filed in a single workers compensation case, the data obtained through the reporting system is not accurate. The OAC has collaborated with the DOWC to use the GGCC database to generate case numbers with a two digit appendix that will indicate the application number for the workers compensation case. This will allow the OAC to accurately track the amount of time between case openings, the setting of the hearing and hearings held. This process began on July 1, 2011 and will allow for accurate data to be collected and reported in future years.

## FY 2013-14 LINE ITEM DESCRIPTION

### (1) EXECUTIVE DIRECTOR'S OFFICE

#### (A) DEPARTMENT ADMINISTRATION

##### PERSONAL SERVICES

This line has existed since the inception of the Executive Director's Office, and was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration.

This line item and the associated appropriations of Full Time Equivalent (FTE) and personal services funding support the Executive Office staff and management functions, including management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations. This line item also supports the state Ombuds Program which was established in May 2007 as a neutral, impartial, and confidential source for employees to receive information and advice regarding work-related situations, their options within the system rules, and advice for resolution of these issues. The appropriation supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, and includes the State's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation is supported by statewide indirect cost recoveries annually per Long Bill annotation.

##### HEALTH, LIFE, AND DENTAL

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item appropriation addresses the State's employer contribution for the health, life and dental insurance benefits for the Department's classified employees. The calculated annual appropriation is based upon recommendations contained in the annual Total Compensation Report, and associated guidance from OSPB, and is calculated based upon employee benefits enrollment selections. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**SHORT-TERM DISABILITY**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item appropriation is for the purpose of providing partial payment of an employee's salary in the event that individual becomes disabled and cannot perform his or her work duties. This benefit is calculated on an annual basis in accordance with OSPB Common Policy Instructions. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**SB 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

This line was first created in SB 04-257, in which Amortization Equalization Disbursement was formed. The Amortization Equalization Disbursement (AED) increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The request for this line is computed in accordance with OSPB Common Policy Instructions and is calculated using the sum of base salaries, salary survey and range adjustments for employees eligible for State retirement benefits. The AED rate will increase to 3.00 percent over the next four years. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**SB 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

This line was first created in SB 06-235, in which the Supplemental Amortization Equalization Disbursement (SAED) was formed. The rate increases by 0.5 percent each calendar year through 2013. The legislation specifically indicated that the incremental increase shall be reduced from funding that would otherwise be allocated to Salary Survey. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, and included Salary Survey, Anniversary Increases, and Shift Differential. The line was split from Shift Differential and included only Salary Survey and Senior Executive Service as of the FY 2000-01 Long Bill. The Salary Survey and Senior Executive Service appropriation reflects the amounts necessary for the Department to cover the cost of salary increases based on the Total Compensation Survey performed annually by the Department. The annual request for this line item is calculated based upon the annual Total Compensation recommendations from the State Personnel Director, along with guidance provided via the OSPB Common Policy Instructions. Occasionally, funding for this line item is not appropriated due to statewide revenue limits. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

**MERIT PAY**

This line item replaced the Anniversary Increases budget line item in the FY 2002-03 Long Bill. In FY 2003-04, no funding was appropriated due to statewide budget constraints. However, performance-based pay was implemented for FY 2004-05 and the Department allocation for that fiscal year was \$354,769 total funds. In FY 2005-06, the Joint Budget Committee adopted a Common Policy of no performance-based pay awards for that fiscal year. For FY 2006-07, again no appropriation was made for Performance-based pay awards per JBC action. For FY 2007-08, the Department of Personnel and Administration introduced a new methodology for awarding salary increases called Achievement Pay. This new methodology had two components: base and non-base building. Base Achievement Pay consisted of market salary increases by occupational group, adjusted for the Supplemental Amortization Equalization Disbursement (SAED), and a single uniform statewide increase of 1.00 percent to recognize performance. Permanent state personnel system employees received base-building salary increases, except those rated at “Needs improvement.” Achievement Pay also included a non-base building payment of 2.0 percent to those rated at Level 4 “Outstanding.” Performance-based pay represents the annual amount appropriated for periodic salary increases for State employees based on demonstrated and documented ability of each employee to satisfy standards related to quantity and quality of work. Occasionally, funding for this line item is not appropriated due to statewide revenue limits. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

**SHIFT DIFFERENTIAL**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration, and consisted of Salary Survey, Anniversary Increases, and Shift Differential. The line was separated as of the FY 2000-01 Long Bill. This Common Policy based line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules (i.e. second and third shift workers whose scheduled work hours fall outside of the regular Monday through Friday, 8:00 am to 5:00 pm work schedule). Essentially, Shift Differential payments provide higher wages for evening, night, and weekend shifts. The request for this line item is calculated annually per OSPB Common Policy Instructions at 80 percent of the level of prior year actual expenditures for this function, which has historically been approved by JBC action at the same level. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, fees from user agencies, and statewide indirect cost recoveries, per Long Bill annotation.

**WORKERS' COMPENSATION**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item is an operating Common Policy allocation that provides funding to state agencies for payments made to the Department of Personnel & Administration to support the State's self-insured Workers' Compensation program. In addition, this specific line item in the DPA budget represents the allocation for DPA as an agency, not the appropriations required to support the administration of the state Workers' Compensation program, which are part of the Division of Human Resources program appropriations. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**OPERATING EXPENSES**

This line has existed since the inception of the Executive Director's Office, and was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item supports the annual operating expenses of the Executive Office, its staff, and required functions. Allowable operating expenditures are defined in the Long Bill headnotes, and actual expenditures are identified by object code in the Schedule 3. This appropriation is supported by indirect cost recoveries per Long Bill annotation.

**LEGAL SERVICES FOR 3,021 HOURS**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item appears in most departments' Executive Director's Offices, with some exceptions. Funding is appropriated so each department can purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals. This appropriation is supported by fees from user agencies per Long Bill annotation.

**ADMINISTRATIVE LAW JUDGE SERVICES**

This line item is a Common Policy based appropriation which provides allocations of funding to State agencies for the purchase of administrative law judge and paralegal services. The Department uses a cost allocation billing methodology for Administrative Law Judge Services and calculates the Departmental allocations for State agency customers based upon their share of total recoverable program costs for providing Administrative Law Judge adjudication to State agencies. The number of judge and paralegal hours used by each agency in the most recently completed fiscal year is used to determine each agency's share of the recoverable program costs. Recoverable costs include all Long Bill appropriations to the Office of Administrative Courts for program operating expenses, personal services, and indirect cost assessment, along with the program's share of central

departmental appropriations, POTS, and other overhead associated with the provision of administrative law judge services to State agencies. This appropriation is supported by fees from user agencies per Long Bill annotation.

### **PURCHASE OF SERVICES FROM COMPUTER CENTER (GGCC)**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This operating Common Policy based line item represents each agency's total billings for the purchase of services from the computer center. The request is calculated annually for the purpose of allocating out to State agencies their share of utilization of the State's Data Center, and is housed in the Governor's Office of Information Technology. The GGCC Common Policy supports the planning, management, operation and delivery of the computing infrastructure to customer entities, which include all State agencies and certain institutions of higher education. The computing infrastructure includes database, application and web servers for several departments, as well as the State's general mainframe computer and tape, disk and printing resources for mainframe and server environments. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, user fees, and indirect cost recoveries per Long Bill annotation.

### **MULTIUSE NETWORK PAYMENTS**

This Common Policy appropriation provides the basis for annual Multi-use Network (MNT) allocations/appropriations statewide and represents each agency's total billings for the MNT. Appropriations for MNT Payments represent the cost/billings to State agencies for circuits and their share of recoverable costs associated with DPA's provision of and administration of MNT to its customers. Recoverable costs include funding for contracts with Qwest and its partners (including ANAP fees, LATA crossing fees, costs associated with existing MNT circuits, network monitoring, Internet access costs, etc), infrastructure (backbone) costs, anticipated billings based on department-by-department circuit inventory, and estimated administrative/operational costs and overhead. This appropriation is supported by fees from user agencies per Long Bill annotation.

### **MANAGEMENT AND ADMINISTRATION OF OIT**

This Common Policy appropriation was established through the FY 2008-09 supplemental process. The line item funds the internal office operations and support for the Governor's Office of Information Technology (OIT). Senate Bill 08-155 provided for the management component and associated billings. The administration component reflects the refinance of the previously state General funded OIT Administration unit before the function was transferred to OIT. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund and user fees.

**PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item is an operating Common Policy allocation that represents each department's share of the statewide cost of property and liability insurance coverage. In addition, this specific line item in the DPA budget represents the allocation for DPA as an agency, not the appropriations required to support the administration of the state Liability and Property programs, which are part of the Division of Human Resources program appropriations. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund and user fees.

**VEHICLE LEASE PAYMENTS**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This Common Policy based line item represents the amounts necessary for State agencies to make vehicle lease payments to the State Fleet Management Program that are sufficient to recover the annual costs of program administration and lease purchase installment payments. This appropriation is supported by fees from user agencies per Long Bill annotation.

**LEASED SPACE**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item is necessary to pay for the Department's obligations for leases of private office space and other facilities that are not State-owned. This appropriation is supported by the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**CAPITOL COMPLEX LEASED SPACE**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This Common Policy based line item represents allocations and subsequent billings to departments occupying space in the Capitol Complex (including North Campus and 1881 Pierce Street), the Grand Junction State Services Building and Camp George West. The annual allocation to agencies is calculated by the Department based upon total recoverable program costs and overhead associated with the maintenance and property management functions provided by the Division of Central Services, Facilities Maintenance on behalf of State agency tenants in the Capitol Complex, Grand Junction and Camp George West. This appropriation is supported by fees from user agencies and indirect cost recoveries, per Long Bill annotation.

**COMMUNICATIONS SERVICES PAYMENTS**

This Common Policy based line item represents each participating department's share of the overhead related to the State's public safety communications infrastructure. The cost allocation methodology, based on actual utilization, is similar to that used in the annual Common Policies and statewide supplemental true-up requests for the Purchase of Services from the Computer Center (GGCC) and for Administrative Law Judge Services (ALJ), and ensures that billings for the fiscal year are sufficient to fund personal services, operating expenses, indirect costs, and other overhead associated with the provision of the statewide Public Safety Network for the benefit of State agency and local government entities. This appropriation is supported by the General Fund.

**COFRS MODERNIZATION**

This Common Policy based line item represents each participating department's share of the overhead related to the modernization of the statewide accounting system, COFRS. The cost allocation methodology, based on the Department's fund splits, ensures that billings for the fiscal year are sufficient to fund personal services, operating expenses, indirect costs, and other overhead associated with the modernization of COFRS for the benefit of State agencies. This appropriation is supported by the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

**HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 - SECURITY REMEDIATION**

This line item was created in FY 2004-05 to address the needs of the Department of Personnel & Administration's compliance with the Health Insurance Portability and Accountability Act of 1996's (HIPAA) security rule and contains appropriations for both personal services and operating expenses. The Department of Personnel & Administration is considered a hybrid covered entity under HIPAA as it is responsible for the administration of employee health benefits and handles HIPAA related data for other agencies. This appropriation had historically been supported by the General Fund and the Computer Services Revolving Fund created in Section 24-30-1606(2), C.R.S., originating as user fees transferred from other state agencies, per Long Bill annotation. For FY 2010-11, the line item was removed.

**(B) STATEWIDE SPECIAL PURPOSE****(1) COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM**

**PERSONAL SERVICES**

C.R.S. 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. House Bill 02-1226 granted the authority of the State Personnel Director to create a State Employee Assistance Program. This line item and the associated appropriations of FTE and personal services funding support the C-SEAP staff within the Executive Director's Office. C-SEAP functions include administration of the State Employees Mediation Program (SEMP) to provide a collaborative, non-adversarial method of resolving workplace disputes; the Managerial Emotional Intelligence Program to increase employee retention and enhance vital relationships at work; and the Drug-Free Workplace Program to guide training/policy development and assure statewide compliance with the Drug-Free Workplace Act. C-SEAP is also responsible for the overall coordination of the State Psychological Fitness for Duty evaluation process when an employee poses a direct threat to themselves, to other employees, to the State, and/or to the public. C-SEAP offers counseling/coaching to all State employees regarding workplace issues such as absenteeism, performance concerns, conflict, sexual harassment, perceptions of bullying and retaliation, substance abuse, violence in the workplace, and domestic violence affecting the workplace, as well as any emotional, mental, or personal problem which may be affecting an employee's ability to perform at work. In addition, the program provides consultation to departmental supervisors, managers, and HR/RM professionals to address these workplace issues; workshops on topics like anger education and conflict resolution; on-site facilitated groups and other organizational assistance; and workplace crisis response. The State Employees Mediation Program (SEMP) is administered through C-SEAP to provide a collaborative, non-adversarial method of resolving workplace disputes. Personal services supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, and includes the State's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation is supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interest derived from said funds, per Long Bill annotation.

**OPERATING EXPENSES**

C.R.S. 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. House Bill 02-1226 granted the authority of the State Personnel Director to create a state employee assistance program. This line item supports the operating expenses of the C-SEAP and Ombuds Programs, including supplies for staff and travel expenses. This appropriation is supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interest derived from said funds, per Long Bill annotation.

**INDIRECT COST ASSESSMENT**

C.R.S. 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. House Bill 02-1226 granted the authority of the State Personnel Director to create a state employee assistance program. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. This appropriation is supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interest derived from said funds, per Long Bill annotation.

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

This Office previously resided in the Division of Finance and Procurement which was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. For the 2009-10 Long Bill, Decision Item #13 – FY 2009-10 Long Bill Realignment was approved, resulting in the transfer of the Office of the State Architect (previously named the Real Estate Services Program) from the Accounts and Control Division to the Executive Director’s Office (JBC figure setting document for DPA, March 11, 2009, p. 40). The Office of the State Architect (OSA) integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise in order to provide assistance and training to State agencies and institutions relating to State owned and leased assets. Specific responsibilities include:

- Establishing policies and procedures and providing oversight associated with the State’s capital construction process (including controlled maintenance and Energy Management) for each State agency and institution of higher education. This process includes solicitation and procurement of professional design and construction services; establishing standard contract language; establishing project management guidelines including cost management; establishing the minimum building codes and compliance requirements; and administering the controlled maintenance program by establishing a statewide system to annually measure and report to the Capital Development Committee (CDC) the condition of State owned facilities and recommending the statewide prioritized list of controlled maintenance projects.
- Providing comprehensive project administration services to those State agencies and institutions of higher education that do not have technical staff experienced in project design and construction management.
- Establishing policies and procedures and providing oversight for State leases and other real estate contracts for each State agency and institution of higher education. This process includes: statutory approval of all leases, coordination with the State’s contracted real estate brokers, maintaining and annually reporting to the CDC on the inventory of State property (including all improvements), developing performance criteria and real property management strategies, and development and administration of office space standards for leased space.

This line item supports both the personal services and operating needs of the Office of the State Architect, and the programs and functions identified above. This appropriation is supported by the General Fund.

**(3) COLORADO STATE ARCHIVES****PERSONAL SERVICES**

This line originally existed prior to FY 2009-10 in the Long Bill section: Division of Information Technology. Senate Bill 08-155 (IT Consolidation) transferred the division to the Governor's Office of Information Technology, leaving only the Information and Archival Services program in DPA.

This line item and the associated appropriations of Full Time Equivalent (FTE) and personal services funding support the Information and Archival Services staff and management functions. The appropriation supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, and includes the State's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation has historically been supported by statewide indirect cost recoveries annually per Long Bill annotation.

C.R.S. 24-80-101 through 109 provides the statutory authorization for the Program. Information and Archival Services plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado territorial and State government. This unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts as regards preservation and management of records. These records are a valuable business asset to the State, and are recorded in a variety of forms from paper to electronic formats. The unit also provides citizen and agency access to the records in its custody for legal and research purposes. This unit is funded by General Fund, Cash Funds from user fees from non-State agencies, and Reappropriated Funds from user fees from State agencies.

Information and Archival Services is also responsible for managing and operating the State's home page content on the Internet. Colorado's State website offers many resources, such as a site limited and global search engine, site hosting for many State agencies, and support for web-based applications. The State website has been re-structured as a gateway, or a portal, to State government, local government, community, and regional information. The Information and Archival Services unit reports to the Executive Director's Office. Funding for this line item is supported by the General Fund and fees from state and non-state agencies, per Long Bill annotation.

**OPERATING EXPENSES**

This line originally existed prior to FY 2009-10 in the Long Bill section: Division of Information Technology. Senate Bill 08-155 (IT Consolidation) transferred the division to the Governor's Office of Information Technology, leaving only the Information and Archival Services

program in DPA. The line item supports the annual operating expenses of the Executive Office, its staff, and required functions. Funding for this line item is supported by General Fund and indirect cost recoveries.

#### **(4) ADDRESS CONFIDENTIALITY PROGRAM (NEW LINE ITEM)**

House Bill 11-1080, which was signed by the Governor and took effect on June 2, 2011, transfers the existing Address Confidentiality Program from the Office of the Secretary of State to the Department of Personnel & Administration, including \$128,823 Cash Funds. The Address Confidentiality Program was established in the Department of State in 2007. The purpose of the program is to establish a confidential substitute address for a program participant to be used by state and local government agencies whenever possible; to provide agencies access to the participant's actual address, when appropriate; to establish a mail forwarding system for program participants; and to ensure there is adequate funding to pay the program costs for everyone who applies. Program participants are victims of domestic violence, sexual offenses, or stalking. A surcharge is levied on all offenders convicted of stalking or offenses for which the underlying factual basis is domestic violence. Of the surcharge revenue collected, 95 percent is deposited into the Address Confidentiality Program Surcharge Fund and the remaining 5 percent is deposited into the Judicial Stabilization Cash Fund. No General Fund dollars are to be used for costs associated with the program.

#### **(5) OTHER STATEWIDE SPECIAL PURPOSE**

##### **TEST FACILITY LEASE**

1970, the State agreed to lease 33,492 acres of land free of charge for 150 years to the U.S. Transportation Department, Federal Railroad Commission (FRC), for a high speed train test site in order to boost economic development in that region. The appropriation to this line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado. The land is leased from the State Land Board to the Department of Personnel & Administration and is sub-leased to the Federal Railroad Commission free of charge. The site presently employs approximately 450 people, and the original 50-year lease agreement will expire on August 1, 2020. This appropriation is supported by the General Fund.

##### **EMPLOYMENT SECURITY CONTRACT PAYMENT**

This line item was created in order for the State to enter into employment security contracts. This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports a contract with a private company (Gibbens Company) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding institutions of higher education. In FY 1998-99, the Department re-negotiated the contract to a lower rate (from \$19,400 to \$17,400). This Strategic Plan

appropriation is supported by the General Fund and fees from user agencies per Long Bill annotation, but a refinance to Reappropriated Funds from agencies fees alone is requested for FY 2012-13.

### **GOVERNOR'S TRANSITION**

This is a line item that requires an appropriation every four years, or each time that a new Governor could take office - it is a statutory requirement, per 24-8-105 C.R.S. The relevant portion of the statute is reflected below:

“At the regular session in each year in which there is a general election to elect a new governor, the general assembly shall appropriate to the department of personnel a sum of not less than ten thousand dollars to pay the necessary expenses of the governor-elect incurred between the general election and the inauguration, including, but not limited to, office supplies, postage, actual and necessary travel expenses, and compensation of administrative, secretarial, and clerical personnel. Any unexpended balance of such appropriation remaining after the payment of such expenses shall revert to the general fund.”

The last time an appropriation for this line item appeared in the Long Bill was FY 2006-07. It was a one-time appropriation of \$10,000. An emergency supplemental appropriation of \$12,650 for FY 2010-11 was approved by the JBC in September 2010. Because it was unknown whether the incumbent Governor would run for a second term at the time the Department's FY 2010-11 budget request was submitted, the need for funding for a new Governor was unforeseeable, and therefore could not be included in the FY 2010-11 Long Bill at the time of figure setting. Annualization of this one-time funding resulted in elimination of the line item in FY 2012-13.

## **(2) DIVISION OF HUMAN RESOURCES**

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

#### **(1) STATE AGENCY SERVICES**

#### **PERSONAL SERVICES**

This line has existed since the inception of State Agency Services. This line item and the associated appropriations of FTE and personal services funding support the State Agency Services in the Division of Human Resources staff and management functions, which include providing interpretation of applicable rules and regulations; handling appeals to the State Personnel Director from employees; providing policy guidance for State benefits, including the Performance Based Pay Plan and the annual compensation survey; creating and maintaining job evaluation systems; developing compensation and leave policies; and providing direct human resources services to the following non-decentralized state agencies: the Office of the Governor, the Department of Treasury, and certain institutions of higher education. Personal services supports all salaries and wages Strategic Plan

including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation is supported by statewide indirect cost recoveries from the Department of Transportation and the Department of Labor and Employment, per Long Bill annotation.

### **OPERATING EXPENSES**

This line has existed since the inception of State Agency Services, and supports the operating expenses for the DHR "Director's Office", which includes those expenses most generally associated with statewide human resources services. Allowable operating expenditures are defined in the Long Bill headnotes, and actual expenditures are identified by object code in the Schedule 3. This appropriation has been at a continuation level for the past several fiscal years. This appropriation is supported by statewide indirect cost recoveries from the Department of Transportation and the Department of Labor and Employment, per Long Bill annotation.

## **(2) TRAINING SERVICES**

### **PERSONAL SERVICES**

Pursuant to Section 24-50-122, C.R.S., this program provides training courses that includes topics such as supervision, project management, leadership, diversity, conflict resolution, business writing, computer skills, change management, customer service, financial fitness (pre-retirement), violence prevention, and performance management to state employees. On July 11, 2005, the Colorado Department of Personnel & Administration began a partnership with the Colorado State University's Division of Continuing Education to provide training programs for State employees. The program is funded by training revenues from State and non-State agencies per Long Bill annotation. This line item and the associated appropriations of FTE and personal services funding support Training Services in the Division of Human Resources staff and management functions. Personal services supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation is supported by training revenue from non-state agencies, and training revenue from state agencies, per Long Bill annotation. Starting in FY 2012-13, the Training Services program line item was separated into a personal services line item and an operating expenses line item.

**OPERATING EXPENSES**

Pursuant to Section 24-50-122, C.R.S., this program provides training courses that includes topics such as supervision, project management, leadership, diversity, conflict resolution, business writing, computer skills, change management, customer service, financial fitness (pre-retirement), violence prevention, and performance management to state employees. On July 11, 2005, the Colorado Department of Personnel & Administration began a partnership with the Colorado State University's Division of Continuing Education to provide training programs for State employees. The program is funded by training revenues from State and non-State agencies per Long Bill annotation. This line item and the associated appropriations of FTE and personal services funding support Training Services in the Division of Human Resources staff and management functions. Starting in FY 2012-13, the Training Services program line item was separated into a personal services line item and an operating expenses line item.

**INDIRECT COST ASSESSMENT**

Authority for the Training program is found in Section 24-50-122, C.R.S. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by training revenue from state agencies, per previous Long Bill annotation.

**(B) EMPLOYEE BENEFITS SERVICES****PERSONAL SERVICES**

The authority for this program is found in C.R.S. 24-50-601. This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration, and was housed in the Executive Director's Office. It was moved to the Division of Human Services as of the FY 1995-96 Long Bill. This line item and the associated appropriations of FTE and personal services funding collectively support the Employee Benefits Services staff within the Division of Human Resources and accounting unit in the Executive Director's Office, and the administration of the employee group benefits plans. The Unit provides the initial design of the employee benefit programs as well as the subsequent contractual, administrative and financial management of these benefits programs. The appropriation supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, and includes the State's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the State and approved tuition for employee workshops. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

**OPERATING EXPENSES**

This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item supports the operating expenses for the Employee Benefits Unit, which administers the State's employee benefit programs, including two self-funded options in the medical plan, one of which is qualified for a Health Savings Account offered through the Third Party Administrator, two fully insured Health Maintenance Organization (HMO) options in the medical plan, three self-funded dental plans, basic and optional life insurance plans (including accidental death and dismemberment), short-term and optional long-term disability, Section 125 pretax premiums and two flexible spending accounts (dependent and health care). This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

**UTILIZATION REVIEW**

The authority for this line is found in C.R.S. 24-50-601. This line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports the audits of benefits plans administered by the State to ensure that they are financially sound and accurate. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

**DEFERRED COMPENSATION PLANS**

The plan was previously established in Section 24-52-102, which dictated that the State Personnel Director shall manage the plan. The line was first placed in the Department of Personnel & Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The Department and the Division of Human Resources are responsible for administration of the state employees' 457 Deferred Compensation Plan. Appropriations for the plan support mailings, dues and memberships, registration fees, and contracted services.

Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Deferred Compensation Plan to the Public Employees Retirement Association (PERA), and thus, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S.

**DEFERRED COMPENSATION ADMINISTRATION (TPA)**

This line item was added as the result of a JBC approved FY 2005-06 Budget Amendment. This appropriation supported payments to the third party administrator (TPA) for the State Deferred Compensation Plans.

Strategic Plan

Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Deferred Compensation Plan to the Public Employees Retirement Association (PERA), and thus, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S.

### **DEFINED CONTRIBUTION PLANS**

This appropriation supported administration of the State's defined contribution plans: Public Officials and State Employees Defined Contribution Retirement Plan for members of the General Assembly and other staff of the General Assembly, the Governor's Office, and the Cabinet who are outside the state personnel system. Prior to FY 2009-10, the Deferred Compensation Committee administered both the Deferred Compensation (457) and Defined Contribution (401) plans. Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Defined Compensation Plan to the Public Employees Retirement Association (PERA). The Deferred Compensation Committee was abolished as a result of the bill.

As a result of SB 09-066, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Defined Compensation Administration Fund created in Section 24-52-203(9)(b), C.R.S.

### **HB 07-1335 SUPPLEMENTAL STATE CONTRIBUTION FUND**

This line item was initiated based on HB 07-1335, which provides money used to supplement the monthly employee contribution to medical benefits for low-income state employees with children. It also required the Department to establish a one-year (FY 2008-09) pilot disease management program in asthma using money from the Short-term Innovative Health Program Grant Fund established in S.B. 07-97. Senate Bill 07-097 established a fund to be administered by the Department beginning in FY 2007-08. This appropriation has been supported by the Supplemental State Contribution Fund created in Section 24-50-609(5), C.R.S., per Long Bill annotation.

### **INDIRECT COST ASSESSMENT**

This line represents the Indirect Cost Assessment for the Employee Benefits Unit. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash- and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an Strategic Plan

increase or a decrease in indirect costs assessed against them. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

### **(C) RISK MANAGEMENT SERVICES**

Risk Management Services consists of the following service area. Services are provided to all state department and higher education institutions except the University of Colorado system, Colorado State University at Fort Collins, and the University of Northern Colorado. Effective July 1, 2010, Mesa State College and Fort Lewis College no longer participate in the Workers' Compensation Fund.

- Workers' Compensation Fund

This activity provides the workers' compensation coverage for state employees. Workers' compensation is self-funded and claims are administered by a third party administrator (TPA).

- The Liability Fund

This activity provides self-funded general liability coverage for tort and federal claims. Claims are administered internally through oversight of third-party adjusters and internal employment claims expertise.

- Property Fund

This activity provides property casualty loss coverage for state assets, including 9,000 state vehicles and 5,000 state buildings. Coverage is provided through a commercial casualty insurance policy.

- Loss Control

This activity provides loss prevention training and related services in all three fund areas (workers' compensation, liability and property).

Liability claims and lawsuits arise from allegations of state negligence related to such occurrences as auto accidents, employment discrimination, and road maintenance. Most of the 2,200 liability claims presented against the State each year are denied, as they are subject to protection found in the Colorado Governmental Immunity Act (CGIA). Most of the payment dollars are related to federal law, where the focus is on civil rights and employment. Workers' compensation benefits for state employees (over 5,000 claims per year) are administered on a self-funded basis. The costs in the self-funded liability and workers' compensation programs are allocated to state agencies and participating institutions of higher education based on pro-rata claims history.

Property exposures (e.g., floods, wind, fires, and theft) are covered by commercial casualty insurance with broad all-risk coverage. Risk Management Services administers large policy deductibles, and pursuant to statute, state agencies and institutions of higher education pay the first \$1,000 per claim. Policy premiums are allocated to state agencies and institutions of higher education based on pro-rata building and content values.

### **PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services support the collective personal services needs of Risk Management Services. Risk Management Services protects the State's human resource and property assets through the administration of liability, property, Strategic Plan

workers' compensation and loss control programs. Services provided include, but are not limited to, accident investigation, legal defense, safety training, hazard mitigation, building inspections, contract review, insurance procurement, property valuation, risk financing, claim evaluation, seminar presentation, workers' compensation medical management, statistical analysis, data collection and premium assessment. Personal services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the State's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the State and tuition for employee workshops that are approved by personnel system regulations.

### **OPERATING EXPENSES**

This line has existed since the inception of Risk Management Services and supports the operating expenses for Risk Management Services.

### **LEGAL SERVICES FOR 31,860 HOURS**

The statutory authority for this line item is found in Section 24-30-1507, C.R.S. Funds in the Liability Program are continuously appropriated for this line item pursuant to Section 24-30-1510 (1) and Section 24-30-1510 (3) (a), C.R.S. This line item addresses legal expenses associated with the Liability Program. For the past several years, the Department has been appropriated a steady level of 31,860 legal services hours. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-1510 (1), C.R.S.

### **LIABILITY PREMIUMS**

This line was created pursuant to Section 24-30-1510, C.R.S. The Liability Program is used to pay liability claims and expenses brought against the State. The program provides coverage to state agencies and employees for tort and federal claims, including those arising out of the scope of employment. The State is self insured for the Liability Program. Judgments for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S. This act limits judgments to \$150,000 per person and \$600,000 per occurrence. This act does not apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.). Therefore, there is no damage limit for these awards.

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The annual funding source for this appropriation is from appropriations to other state agencies for the Risk Management Fund created in Section 24-30-1510(1), C.R.S., as identified by Long Bill annotation. The Risk Management Fund receives revenues from two primary sources:

payments from State agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-1510 (1), C.R.S.

### **PROPERTY PREMIUMS**

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

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The Property Fund receives revenue from two primary sources: payments from state agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated pursuant to Section 24-30-1510.5 (1), C.R.S.

### **WORKERS' COMPENSATION PREMIUMS**

The Workers' Compensation Program is used to pay workers' compensation benefits to State employees. Like the Liability Program, the State is self-insured for workers' compensation claims. Unlike the Liability Program, the Governmental Immunity Act does not apply to workers' compensation claims. There are two broad categories of workers' compensation payments: medical payments and indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S., and there is no maximum for medical benefits. The State's ultimate liability for any one claim could be significant if a severely injured employee lives for a long period of time.

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The Workers' Compensation Program is funded by appropriations from the State Employee Workers' Compensation Account, a separate account within the Risk Management Fund pursuant to Section 24-30-1510.7, C.R.S. Similar to the Liability Program, the fund receives revenue from payments from State agencies and interest. Moneys in the State Workers' Compensation Account are subject to annual appropriation by the General Assembly for the purposes of paying workers' compensation benefits to State employees in accordance with articles 40 to 47 of Title 8, C.R.S. (Section 24-30-1510.7 (2)).

**INDIRECT COST ASSESSMENT**

This line represents the Indirect Cost Assessment for Risk Management. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash- and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The annual funding source for this appropriation is reserves in the Risk Management Fund pursuant to Section 24-30-1510(3), C.R.S., the Self-Insured Property Fund pursuant to Section 24-30-1510.5(3), C.R.S., and the State Employee Workers' Compensation Account pursuant to Section 24-30-1510.7(2), C.R.S., as identified by Long Bill annotation.

**(3) CONSTITUTIONALLY INDEPENDENT ENTITIES****(A) PERSONNEL BOARD****PERSONAL SERVICES**

This line was created as a result of Article XII, Sections 13 through 15, of the Colorado Constitution, and is pursuant to Section 24-50-103, C.R.S. This line was placed in the Department of Personnel & Administration in HB 95-1362, which merged the Department of Personnel and the Department of Administration. This line item and the associated appropriations of FTE and personal services funding support the State Personnel Board staff and functions. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit. The Board conducts administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution. The Board also provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. Personal Services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the State and tuition for employee workshops that are approved by personnel system regulations. The remaining cash funding source for this appropriation is receipts collected for copies of information and case documentation, as identified by Long Bill annotation.

**OPERATING EXPENSES**

This line has existed since the inception of the Personnel Board, originating from Article XII, Sections 13 through 15, of the Colorado Constitution, and is pursuant to Section 24-50-103, C.R.S. This line supports the operating expenses for the Board.

**LEGAL SERVICES FOR 330 HOURS**

This line was first placed in the Department of Personnel & Administration in SB 09-196, when the Joint Budget Committee voted to split out the Personnel Board's share of legal services allocation from the departmental appropriation in the Executive Director's Office. Funding is appropriated to allow the Department to purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals.

**(B) INDEPENDENT ETHICS COMMISSION****PERSONAL SERVICES**

The Independent Ethics Commission is a constitutionally created independent commission and is charged with the implementation of Article XXIX of the Colorado Constitution and Article 24-18.5-101 of the Colorado Revised Statutes. The purpose of the IEC is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution and any other standards of conduct and reporting requirements as provided by law. The Governor of Colorado, and Colorado's Supreme Court, Senate and House of Representatives have each appointed one member of the Commission. The four members of the Commission selected an individual to participate as the fifth member of the commission through an application process. Members serve without compensation and are reimbursed for actual and necessary expenses incurred in carrying out their duties. House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA's budget.

**OPERATING EXPENSES**

House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA's budget.

**LEGAL SERVICES FOR 330 HOURS**

This line was first placed in the Department of Personnel & Administration in SB 09-196, when the Joint Budget Committee voted to split out the Independent Ethic Commission's share of legal services allocation from the departmental appropriation in the Executive Director's Office. Funding is appropriated to allow the department to purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals. House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA's budget.

**(4) CENTRAL SERVICES****(A) ADMINISTRATION****PERSONAL SERVICES**

The statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Administration in the Division of Central Services staff and management functions. This section provides administrative support and management oversight for the centralized services provided to all state agencies by the Division of Central Services including, but not limited to executive management, management analysis, contract administration, strategic planning, project coordination, and accounting support. It also includes the Statewide Travel Management program (STMP), which oversees and monitors all state employee travel. The oversight extends to negotiating and administering contracts with travel suppliers—travel card systems, airlines, rental car agencies, lodging providers, travel agencies and various incidental suppliers. STMP provides training, guidance and administrative support for all state agencies, institutions of higher education and participating political subdivisions. Personal Services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the State and tuition for employee workshops that are approved by personnel system regulations. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

**OPERATING EXPENSES**

The statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for the Administration unit. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

**INDIRECT COST ASSESSMENT**

The statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line represents the Indirect Cost Assessment of the Administrative unit in the Division of Central Services. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

**(B) INTEGRATED DOCUMENT SOLUTIONS****PERSONAL SERVICES (INCLUDING CONTINGENCY LINE ITEM)**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Commencing in the FY 2012-13 Long Bill, this line item was consolidated to include Reprographics Services, Document Solutions, and Mail services.

This line item and the associated appropriations of FTE and personal services funding support the Reprographics Services staff functions, the Document Solutions staff and functions, and the Mail Services staff and functions in the Division of Central Services. The Reprographics Services staff specializes in comprehensive commercial and graphic art services, offset printing, and high volume digitalized copying, and also manages the rental of office copiers for low volume operations to other state agencies. The Document Solutions staff offers state agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation and image storage. IDS offers mail processing, including postage application, automated document inserting, electronic address processing, inkjet printing, automated postal pre-sorting and bar-coding, overnight shipping, etc., mail sorting, which includes picking up mail for state agencies and from U.S. Post Offices and processing the mail according to customer specifications before delivery by opening, sorting, date stamping, and perforating; and mail pick-up and delivery of interdepartmental and United States Postal Service mail and printed materials for state offices located in the metro area. Personal Services includes all salaries and wages including those paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the State and tuition for employee workshops that are approved by personnel system regulations. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**OPERATING EXPENSES (INCLUDING CONTINGENCY LINE ITEM)**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Commencing in the FY 2012-13 Long Bill, this line item was consolidated to include Reprographics Services, Document Solutions, and Mail services.

This line item supports the operating expenses for Reprographics Services, including all costs to perform printing, copier service, and normal office operations. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation. Additionally, this line item supports the operating expenses for the Document Solutions Group. This section offers state agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation and image storage (Electronic Document Warehouse). Scanning costs have been previously reported to be up to 60 percent lower than those provided by private entities. Finally, this line item also supports the operating expenses for Mail Services, including mail processing, including postage application, automated document inserting, electronic address processing, inkjet printing, automated postal pre-sorting and bar-coding, overnight shipping; mail sorting, which includes picking up mail for State agencies and from U.S. Post Offices and processing the mail according to customer specifications before delivery; mail pick-up and delivery of interdepartmental and United States Postal Service mail and printed materials for state offices located in the metro area.

This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**UTILITIES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the utility costs associated with the operations of the Document Solutions Group in Pueblo. This section offers State agencies a full range of micrographic and document imaging services and data entry operations. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**MAIL EQUIPMENT UPGRADE**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line was established in FY 2009-10 as a result of approval of S-2: Mail Equipment Upgrade. Funding was originally appropriated to purchase updated mail equipment, but the Department later learned that the federal government would not allow the Department to seek reimbursement of capital expenditures through direct or indirect cost assessments. Therefore, a supplemental was submitted in January, 2010 to enter into a five-year lease-purchase agreement for the equipment. This appropriation is supported by General Fund and fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**INDIRECT COST ASSESSMENT**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Reprographics Services performs its duties pursuant to Section 24-30-1104, C.R.S. Also, as a result of a FY 2007-08 Decision Item, appropriations were recalibrated by reducing the appropriated spending authority in the Mail Services Operating Expenses line item, and reallocating amongst several of the other IDS line items (and the Department's Leased Space line item) in a cost neutral request. This line supports the Indirect Cost Assessment for the Reprographics unit. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**(C) FLEET MANAGEMENT PROGRAM & MOTOR POOL SERVICES****PERSONAL SERVICES**

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel & Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. This line item and the associated appropriations of FTE and personal services funding support the Executive Office staff and management functions. SFM performs three major roles for the State: For state departments and agencies, SFM is responsible for providing safe, reliable, cost effective vehicles uniquely tailored to best meet their specific program requirements. For the citizens of the State, SFM insures that state vehicles are purchased and maintained throughout their life cycle at the lowest available cost. For the Legislature, SFM manages statutory programs, ensures legal and regulatory compliance, and provides accurate information concerning trends in expense, utilization, fleet size and other relevant information to facilitate knowledgeable oversight and decision-making. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation is supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

**OPERATING EXPENSES (INCLUDING CONTINGENCY LINE ITEM)**

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel & Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration.

This operating expenses line item supports fuel costs, the cost of maintenance and other business operating costs for the State Fleet Management program and all vehicles enrolled in the fleet on behalf of state agency customers. Total fuel expenditures for the fleet are determined by the cost of fuel, the overall average fuel-efficiency of the State fleet, and the number of miles driven fleet-wide over the course of the year. For reference, because the State fleet uses approximately four million gallons of fuel per year, each \$.10 increase in fuel price creates a \$400,000 increase in annual expense. The State Fleet Management Program provides light duty vehicles including sedans, vans, SUV's, motorcycles, and pickup trucks to all State agencies on a long-term basis. In addition, with the passage of SB 06-015, all vehicles regardless of size were to be enrolled in the State Fleet Management Program during FY 2006-07. This added an additional 400+ specialized vehicles with a GVWR of one ton and greater to the fleet. With SFM managing all aspects of vehicle procurement and operations—acquisition, repairs, maintenance, and disposal—state agencies and employees can focus all of their resources on accomplishing their program missions.

Several factors beyond the State's control require the Department to contemplate adjustments to appropriated spending authority and underlying assumptions concerning fuel and maintenance expenditures annually. Many critical measures have already been adopted in recent fiscal years in an effort to mitigate cost increases including mileage reductions, cost controls, reductions in total fleet size, and a migration to more fuel efficient vehicles. Even with a robust and efficient cost containment structure in place, along with the significant benefits and efficiencies realized through centralized fleet management, SFM still is not immune to the pressures faced by the national and global economy, including the impact of high fuel costs, and the impact of vehicle replacements as it relates to pressure on maintenance costs. This appropriation is supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

**VEHICLE REPLACEMENT LEASE, PURCHASE OR LEASE/PURCHASE**

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel & Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. The Department of Personnel & Administration is responsible for the lease payments for all vehicles in the state's fleet. The appropriation for this line item is impacted each budget cycle by the annual Statewide Fleet Replacements Decision Item. The final annual appropriation is dependent upon the JBC action on this annual request. This appropriation is supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

**INDIRECT COST ASSESSMENT**

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel & Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. This line supports the Indirect Cost Assessment for State Fleet Management. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

**(D) FACILITIES MAINTENANCE****CAPITOL COMPLEX FACILITIES****PERSONAL SERVICES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support staff of Capitol Complex Facilities. This unit performs asset and property management functions for the State. It maintains the grounds and buildings in the Capitol Complex encompassing approximately 900,000 square feet of office space serving thousands of state employees. This section is responsible for providing housekeeping, grounds maintenance, and property management functions for the Capitol Complex, the State Capitol Building, 1881 Pierce Street, the Kipling "campus", and North Campus as well as various other facilities. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**OPERATING EXPENSES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for Capitol Complex Facilities, including expenses associated with providing building maintenance including HVAC, plumbing, electrical, elevators, lights, general maintenance, day and evening custodial services (in-house and contractor), grounds maintenance and building security. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**CAPITOL COMPLEX REPAIRS**

This appropriation supports Capitol Complex repairs not funded in the base operating expenses appropriation. In FY 1999-2000, the General Assembly created a separate line and appropriated additional base funding for routine HVAC repairs in the Capitol Complex. The cash funds exempt represents lease payments transferred from other State agencies located in the Capitol Complex. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**CAPITOL COMPLEX SECURITY**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item pays for a portion of the security related to the Capitol Complex. The Department collects funds through the rental rate it charges agencies in the Denver Campus of Capitol Complex. These funds are then transferred to the Department of Public Safety, which is the department responsible for the Executive Security Unit. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

**SB 07-086 – FALLEN HEROES MEMORIALS CONSTRUCTION FUND**

Senate Bill 07-086 created a five-member commission in the Department of Personnel and to oversee the design and construction of war memorials. The war memorials will be erected near the Colorado Veterans Monument in Lincoln Park to honor the lives of Coloradans who died during specific military conflicts. The bill also creates the Fallen Heroes Memorial Construction Fund in the state Treasury. Of note, the bill further specifies that relevant costs are to be paid by appropriation from the Fallen Heroes Memorial Construction Fund from gifts, grants, and donations. In the event that money in the fund is insufficient to cover these costs, the General Fund will offset the amount of any deficiency through the annual budgeting process. The General Fund will be reimbursed when money in the Fallen Heroes Memorial Construction Fund becomes available. This appropriation was historically supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S.,

and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation.

### **UTILITIES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item addresses utilities costs for the Capitol Complex. The Department has contracted with Chevron Energy Solutions to perform performance-based contracting services throughout the Capitol Complex and associated buildings, Grand Junction, the three Lakewood buildings and North Campus. The goal of this project is to conserve energy through tenant awareness and the replacement or upgrading of older, inefficient systems. This project began in the spring of 2002 with an energy audit of all the Capitol Complex buildings. This audit identified energy savings projects which included the replacement of lights and toilets, new boilers and chillers, and the installation of new energy management computerized controls. These improvements were financed through the projected energy savings directly related to the individual project over a predetermined period of time. As a result, the Department has been able to facilitate the most optimal levels of Utilities costs in the Capitol Complex, even during times when the costs of such commodities have routinely increased for all. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

### **INDIRECT COST ASSESSMENT**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This appropriation supports the Indirect Cost Assessment for the Capitol Complex. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

### **(1) GRAND JUNCTION STATE SERVICES BUILDING**

**PERSONAL SERVICES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Grand Junction State Services Building. This section provides property and building management at the State Services Building in Grand Junction. It is staffed by 1.0 FTE responsible for building maintenance. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation was historically supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

**OPERATING EXPENSES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses associated with the property management and maintenance functions provided by the Division at the Grand Junction State Services Building, including those associated with building maintenance, custodial services, and grounds maintenance. The building contains 34,499 square feet and has nine tenants. This appropriation was historically supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

**UTILITIES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item addresses utilities costs for the Grand Junction State Services Building. The Department has contracted with Chevron Energy Solutions to perform performance-based contracting services throughout the Capitol Complex and associated buildings, Grand Junction, the three Lakewood buildings and North Campus. The goal of this project is to conserve energy through tenant awareness and the replacement or upgrading of older, inefficient systems. This project began in the spring of 2002 with an energy audit of all the Capitol Complex buildings. This audit identified energy savings projects which included the replacement of lights and toilets, new boilers and chillers, and the installation of new energy management computerized controls. These improvements were financed through the projected energy savings directly related to the individual project over a predetermined period of time. As a result, the Department has been able to facilitate the most optimal levels of Utilities costs in the Capitol Complex, even during times when the costs of such commodities have routinely increased for all. This appropriation was historically supported by fees from user agencies deposited into the Strategic Plan

Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

## **(2) CAMP GEORGE WEST**

### **PERSONAL SERVICES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support Camp George West. This section provides property and building management at Camp George West, located in Golden. The land was deeded to the State on July 1, 1999, and DPA has the authority to manage the property. It is staffed by 1.0 FTE responsible for building maintenance personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation was historically supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

### **OPERATING EXPENSES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses associated with the property management and maintenance functions provided by the Division at Camp George West, located in Golden. The land was deeded to the State on July 1, 1999 and DPA has the authority to manage the property. The campus contains 285,755 square feet and has six tenants. Operating expenses are related to custodial services, snow removal, lot and road repair, trash disposal and grounds maintenance. This appropriation was historically supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

### **UTILITIES**

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports utilities costs for Camp George West, located in Golden. The land was deeded to the State on July 1, 1999 and DPA has the authority to manage the property. This appropriation was Strategic Plan

historically supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by past Long Bill annotation. Commencing in FY 2012-13, this line item was consolidated with the Capitol Complex Facilities line items in the section above.

## **(5) DIVISION OF ACCOUNTS AND CONTROLS - CONTROLLER**

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

#### **PERSONAL SERVICES**

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The Office of the State Controller was previously included in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group, however, the Department requested through a FY 2009-10 Decision Item that it be identified independent of Procurement Services in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement was renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial affairs of the State, which includes statewide financial reporting and policy and procedural guidance for financial administration and internal control consulting for state agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System. The Office of the State Controller implements the Legislative budget, maintains budgetary control, authorizes all State contracts through delegation or direct reviews, issues warrants for the State, provides specialized accounting services to state agencies, manages statewide central payroll operations, prepares the annual statewide indirect cost allocation plans (federal plan and budget/cash fees plan), and manages the Recovery Audit Program and the Contract Management System. A primary responsibility of the State Controller is to approve directly, or through delegation all state expenditures prior to the obligation being incurred. The Controller must determine that prices or rates paid for statutorily authorized expenditures are fair and reasonable. The State Controller also promulgates the Fiscal Rules, which govern financial transactions. This line item and the associated appropriations of FTE and personal services funding support the Office of the State Controller staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Some of the items in the prior sentence are appropriated to the Department of Personnel & Administration and are allocated among the Strategic Plan

Department's divisions and offices. This appropriation is supported by General Fund, rebates received from the Procurement Card Program, and statewide indirect cost recoveries, as identified by Long Bill annotation.

### **OPERATING EXPENSES**

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The Office of the State Controller was previously included in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group, however, the Department requested through a FY 2009-10 Decision Item that it be identified independent of Procurement Services in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement was renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial affairs of the State, which includes statewide financial reporting, policy and procedural guidance for financial administration, and internal control consulting for all State agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System. The Office of the State Controller implements the Legislative budget, maintains budgetary control, authorizes all State contracts through delegation or direct reviews, issues warrants for the State, provides specialized accounting services to state agencies, manages statewide central payroll operations, prepares the annual statewide indirect cost allocation plans (federal plan and budget/cash fees plan), and manages the Recovery Audit Program and the Contracts Management System. A primary responsibility of the State Controller is to approve directly or through delegation all state expenditures prior to the obligation being incurred. The Controller must determine that prices or rates paid for statutorily authorized expenditures are fair and reasonable. The State Controller also promulgates the Fiscal Rules, which govern financial transactions. This line item supports the operating expenses associated with the Office of the State Controller. Funding for this recently separated line was not appropriated solely to the Office of the State Controller prior to FY 2009-10. The Long Bill appropriation is supported by Reappropriated Funds.

### **RECOVERY AUDIT PROGRAM DISBURSEMENTS**

The cash funds spending authority within this line item serves as a proxy in order to comply with the requirements of HB 10-1176 "Require Government Recovery Audits." The spending authority allows the Department to enter into a contingency-based contract with a recovery audit vendor, reimburse state agencies for costs associated with the recovery audits, and reimburse federal agencies in accordance with federal statute, rules and regulations. This Long Bill appropriation is supported by the Recovery Audit Cash Fund.

**(B) STATE PURCHASING OFFICE****PERSONAL SERVICES**

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The State Purchasing Office was previously included along with the Office of the State Controller in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group. The Department requested through a FY 2009-10 Decision Item that the State Purchasing Office be identified independent of the Office of the State Controller in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement has been renamed the Division of Accounts and Controls – Controller in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-101-101, et. seq. (Colorado Procurement Code), C.R.S., Procurement Services, operationally known as the State Purchasing Office, manages and oversees state procurement policy and processes. This line item and the associated appropriations of FTE and personal services funding support the Procurement Services staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

Funding for this recently restructured line was not appropriated solely to the State Purchasing Office prior to FY 2009-10. This appropriation is supported by rebates received from the Procurement Card Program, as identified by Long Bill annotation, and a transfer of funding from the University of Colorado, subsequent to HB 10-1181.

**OPERATING EXPENSES**

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The State Purchasing Office was previously included along with the Office of the State Controller in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group. The Department requested through a FY 2009-10 Decision Item that the State Purchasing Office be identified independent of the Office of the State Controller in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Strategic Plan

Buildings Division. The Division of Finance and Procurement has been renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director’s Office.

In accordance with Section 24-101-101, et. seq. (Colorado Procurement Code), C.R.S., Procurement Services, operationally known as the State Purchasing Office, manages and oversees state procurement policy and processes as defined above. This line item supports the operating expenses associated with Procurement Services. Funding for this recently restructured line was not appropriated solely to the State Purchasing Office prior to FY 2009-10. This appropriation is supported by rebates received from the Procurement Card Program, as identified by Long Bill annotation.

### **(C) SUPPLIER DATABASE**

#### **PERSONAL SERVICES**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This program supports the Bid Information and Distribution System (BIDS) that allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). The Department's centralized database is used to disseminate information about solicitations for goods and services that have to be competitively bid under the Colorado Procurement Code. Effective FY 2009-10, SB 09-99 required the Department of Personnel & Administration to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors. The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.), and the E-Procurement system is funded with appropriations from the Statewide E-Procurement Cash Fund. This line item and the associated appropriations of FTE and personal services funding support the Supplier Database staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State’s contribution to the Public Employees’ Retirement Association, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability insurance, and the State’s share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation is supported by fees deposited into the Supplier Database Cash Fund created in Section 24-102-202.5(2)(a), C.R.S., as identified by Long Bill annotation.

#### **OPERATING EXPENSES**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This program supports the Bid Information and Distribution System (BIDS) that allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.), as well as E-Procurement. The Department's centralized database is used to disseminate information about solicitations for goods and

Strategic Plan

services that have to be competitively bid under the Colorado Procurement Code. The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.), and the E-Procurement system is funded with appropriations from the Statewide E-Procurement Cash Fund. Effective FY 2009-10, SB 09-99 required the Department of Personnel & Administration to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors. This line item supports the operating expenses for the Supplier Database and the E-Procurement program. This appropriation is supported by amounts from the Supplier Database Cash Fund created in Section 24-102-202.5(2)(a), C.R.S., as identified by Long Bill annotation.

## **(D) COLLECTIONS SERVICES**

### **PERSONAL SERVICES**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. Central Collection Services is statutorily responsible for providing debt collection services to state agencies and political sub-divisions through delegation by the Office of the State Controller. Central Collections Services provides this service at a fixed commission rate. Central Collections Services has a number of unique capabilities, including the state income tax refund and vendor intercept programs, access to wage and employment information through the Department of Labor and Employment, as well as access to Department of Revenue Motor Vehicle information, none of which are afforded to private collection companies. The Unit is also responsible for the distribution and management of state debts to awarded private collection companies and private collection counsel for the State. Statute requires the referral of debt to Central Collections Services at 30 days past due and debts are subsequently assigned to private collection companies at 180 days old if no repayment arrangements have been made with debtors. This partnership increases the opportunity for collection. This line item and the associated appropriations of FTE and personal services funding support the Collections Services staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

### **OPERATING EXPENSES**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line has existed since the inception of Collections

Services. This line item supports the operating expenses associated with Collections Services. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

### **COLLECTION OF DEBTS DUE TO THE STATE OF COLORADO**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line item supports a program that collects taxes and fees from individuals who owe moneys to the State. This funding is transferred to the Department of Revenue to offset tax debt. This appropriation was supported by collection fees and receipts, as identified by Long Bill annotation. The FY 2012-13 Long Bill (HB 12-1335) eliminated this line item.

### **PRIVATE COLLECTION AGENCY FEES**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line item was added to the Department's budget through the FY 2005-06 supplemental process. The Department had requested this be done in order to reflect more accurately the payment of private collection agency fees and out of pocket legal expenses incurred in the collection of debts owed to the State. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

### **INDIRECT COST ASSESSMENT**

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line supports the Indirect Cost Assessment for Central Collections Services. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

**(6) ADMINISTRATIVE COURTS****PERSONAL SERVICES**

The Colorado Office of Administrative Courts (OAC) was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The OAC is one of 24 central panels of independent Administrative Law Judges in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities out of its three offices (Denver, Colorado Springs and Grand Junction). The OAC conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, engineers, etc.); teacher dismissal cases, and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act. In addition, the OAC conducts mediations and settlement conferences. Prior to FY 2009-10, the Independent Ethics Commission (IEC) appropriation resided in the OAC Long Bill group. FY 2009-10 Decision Item #13 – FY 2009-10 Long Bill Realignment transferred the IEC to a newly created Long Bill group, “Constitutionally Independent Entities.”

This line item and the associated appropriations of FTE and personal services funding support the Administrative Courts staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State’s contribution to the Public Employees’ Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State’s share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. This appropriation is supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.

**OPERATING EXPENSES**

The Colorado Office of Administrative Courts (OAC) was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The OAC is one of 24 central panels of independent Administrative Law Judges (ALJ’s) in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities out of its three offices (Denver, Colorado Springs and Grand Junction). Prior to FY 2009-10, the Independent Ethics Commission (IEC) appropriation resided in the OAC Long Bill group. FY 2009-10 Decision Item #13 – FY 2009-10 Long Bill Realignment transferred the IEC to a newly created Long Bill group, “Constitutionally Independent Entities.”

The OAC conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, engineers, etc.); teacher dismissal cases, and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act.

This line item supports the operating expenses associated with the Office of Administrative Courts. This appropriation is supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.

### **INDIRECT COST ASSESSMENT**

The line supports the Indirect Cost Assessment for the Office of Administrative Courts. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. This appropriation is supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.