



**COLORADO**

Department of Personnel  
& Administration

# Long-Range Financial Plan

FY 2019–20





**COLORADO**  
Department of Personnel  
& Administration

November 1, 2019

Honorable Jared Polis  
Governor of Colorado  
136 State Capitol Building  
Denver, Colorado 80203

Honorable Representative Daneya Esgar  
Joint Budget Committee  
Colorado General Assembly  
200 East 14<sup>th</sup> Avenue  
Denver, CO 80203

Dear Governor Polis and Representative Esgar,

Pursuant to HB18-1430 (§2-3-209, C.R.S.), each state agency is required to submit an annual long-range financial plan beginning November 1, 2019. The statutory elements required in the plan include:

- Statement of an agency's mission
- Description of an agency's major functions
- Description of an agency's performance goals
- Performance evaluation of an agency's major programs with recommendations to improve performance
- Description of anticipated trends, conditions, or events affecting the agency
- Description of any programs funded by federal funds or gifts, grants, and donations that may decrease in the future.

This long-range financial plan covers the five-year period beginning in the current fiscal year (from FY 2019-20 through FY 2023-24). The plan is not a policy document but rather a management tool to support effective planning and resource allocation. As such, it does not reflect the impact of policy proposals. In addition, given the November 1 statutory deadline for this report, it was developed prior to the finalization of the Governor's FY 2020-21 budget request, and thus may not reflect all technical changes prepared for the budget.

The information gathered and presented in this Long Range Financial Plan comports with the Governor's Office of State Planning and Budgeting's instructions for completing this document. As such, this representation of the Department of Personnel & Administration's financial plan is consistent with all other State agencies' financial plans. The Department notes that the Long Range Financial Plan does not represent the totality of information included in the Department's November 1 Budget Submission and that material differences between the two documents are intentional and not due to mistakes or omissions.

The Office of State Planning and Budgeting (OSPB) has developed a statewide overview of the long-range plan submissions, which can be viewed on OSPB's website at: <https://www.colorado.gov/ospb>

Respectfully submitted,

Kara Veitch

Executive Director of the Colorado Department of Personnel & Administration and State Personnel Director

Cc: Joint Budget Committee Members, Carolyn Kampman, Scott Thompson, Alfredo Kemm





**COLORADO**  
Department of Personnel  
& Administration

Kara Veitch  
State Personnel Director and Executive Director

Tobin Follenweider  
Deputy Executive Director

---

## About this Report:

The Department of Personnel & Administration's FY 2019-20 Long-Range Financial Plan provides context to the Department's strategic financial direction from current fiscal year, FY 2019-20 through FY 2023-24.

This report aligns with the Department's Performance Plan, which focuses on key Departmental strategic policy initiatives to: 1) reduce health care costs, 2) reduce energy consumption, 3) make Colorado an employer of choice, and 4) create innovation and efficiencies.

The report reviews the financial structure of the Department from FY 2015-16 through FY 2019-20, including capital expenditure appropriations and Department ongoing obligations.

Adjustments to the baseline forecast are assumed through key agency budget drivers, which include Department program-specific, total compensation, and operating common policy drivers. The Department forecasts possible funding decreases, scenario evaluations of an economic downturn, specific contingencies, and potential emerging trends within this document.

This analysis is required by statute to provide a long-range financial plan for the Department, and includes relevant elements for developing future organizational and financial structure of the Department.



# Long Range Financial Plan:

## FY 2019-20 Long Range Financial Plan

### Introduction

Department Overview	2
Department Mission & Vision	6
Overview of Performance Goals	7

### Program and Goal Evaluation

Strategic Policy Initiative 1: Reduce Health Care Costs	8
Strategic Policy Initiative 2: Reduce Energy Consumption	9
Strategic Policy Initiative 3: Make Colorado an Employer of Choice	10
Strategic Policy Initiative 4: Create Innovation and Efficiencies	11

### Evaluation of Performance

Strategic Policy Initiative 1: Reduce Health Care Costs	12
Strategic Policy Initiative 2: Reduce Energy Consumption	13
Strategic Policy Initiative 3: Make Colorado an Employer of Choice	14
Strategic Policy Initiative 4: Create Innovation and Efficiencies	15

### Financial Structure

Department Budget: Graphic Overview	16
(1) Executive Director's Office	19
(2) Division of Human Resources	20
(3) Constitutionally Independent Entities	21
(4) Division of Central Services	22
(5) Division of Accounts and Control	23
(6) Administrative Courts	24
(7) Division of Capital Assets	25
Capital Expenditure Information	26
Department Ongoing Debt Obligations	27

### Financial Forecast

Baseline Forecast	28
Agency Budget Drivers	29
Program Budget Drivers	29
Common Policy Budget Drivers	34
Total Compensation Common Policy Budget Drivers	34
Operating Common Policy Budget Drivers	36
Scenario Evaluation: Downturn	38
Scenario Evaluation: Department Specific Contingency	40

Emerging Trends	41
Economic & Private Industry Trends	41

Anticipated Funding Decreases	47
-------------------------------	----

Appendix A	49
------------	----

# Introduction

---

## Department Overview

The Department of Personnel & Administration (the Department) provides the infrastructure needed for Colorado State government to perform in a consistent, productive and cost-conscious manner. The Department operates much like a business within State government, providing such centralized services as human resource management and oversight; risk management; training; procurement management and oversight; financial assistance and guidance; graphic design, printing, scanning, and copying services; fleet vehicle and facilities management; and adjudication services for state employees and agencies and programs throughout State government. The Department's 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 personal and professional integrity. The Department customer base is three-fold. The Department serves: 1) government entities, including State departments, the General Assembly, Institutions of Higher Education, and local municipalities; 2) State employees; and 3) the public.

### **Executive Director's Office**

The Executive Director's Office (EDO) is responsible for essential duties that impact the Department and, uniquely amongst other state agencies, 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, media relations, and legislative relations. In addition, the internal support functions of the Human Resources, Communications, Budget, Procurement, and Accounting units also interact with agencies statewide in many areas, including common policies, billing, records requests, and state employee communications. Major programs appropriated within the EDO are outlined below.

#### *Colorado State Employee Assistance Program*

Colorado State Employee Assistance Program (CSEAP) is a team of professionals who provide confidential counseling and referrals, mediation, coaching, group facilitation, crisis response, organizational consultation/development, and educational services statewide to State employers and employees at no cost to the employee or state agencies.

#### *Office of the State Architect*

The Office of the State Architect (OSA) is statutorily responsible for the administration of state funded planning, construction, energy conservation, and real estate transactions at state agencies and institutions of higher education. The OSA establishes policies and procedures; provides technical support and training; and recommends the annual controlled maintenance statewide budget and state agency capital construction budget requests.

### **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 primary duties are to maintain the integrity of the State Personnel System, manage the State's risk, and lead talent management of the statewide workforce. Major program areas are outlined below.

#### *Consulting Services*

Consulting Services provides strategic guidance and oversight of statewide human resources management. This team develops and determines the best practices in the human resources field and advises State agency customers accordingly. The unit provides training and consultation on all aspects of human resources management and administration under the jurisdiction of the State Personnel Board and State Personnel Director including performance management, selection, progressive discipline, layoffs, and other separations.

### ***Center for Organizational Effectiveness***

The Center for Organizational Effectiveness (COE) devises a statewide training framework for core competencies for all State employees in the most cost effective manner. The COE offers training in supervision, program management, contract management, procurement procedures, and performance management to State employees and supervisors.

### ***Compensation Unit***

The Compensation Unit maintains the State's job evaluation and compensation systems, oversees compliance with the Family and Medical Leave Act (FMLA), the Fair Labor Standards Act (FLSA), and other state and federal regulations, and prepares the Annual Compensation Survey Report and letter.

### ***Employee Benefits Unit***

The Employee Benefits Unit administers employee group benefits plans (medical, dental, life, flexible spending accounts, and wellness plans), ensures compliance with a number of federal and State laws including Affordable Care Act (ACA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and the Health Insurance Portability and Accountability Act (HIPAA).

### ***Risk Management Services***

The State Office of Risk Management protects the State's human capital and property assets. The office provides training and consulting services on accident investigation, legal defense, safety training, hazard mitigation, building inspection, insurance procurement, claim evaluation, loss control and data collection.

## **State Personnel Board**

The State Personnel Board is an independent program created within the State's Constitution. The State Personnel Board establishes rules that protect and recognize merit as the basis for state employment and hears appeals by applicants and employees in the state personnel system. The Board conducts administrative hearings under the authority of the state Constitution, various state statutes and the state Administrative Procedures Act, conducts settlement conferences, and facilitates dispute resolution.

## **Division of Central Services**

The Division of Central Services (DCS) exists to maximize efficiencies for the State and local government by consolidating internal common business services to take advantage of economies of scale. The Division's primary focus is to provide agencies with the quality, turnaround, and cost that will facilitate successful deployment of services to the State's residents. 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. DCS is comprised of three units: Integrated Document Solutions, Address Confidentiality Program and Colorado State Archives.

### ***Integrated Document Solutions (IDS)***

Integrated Document Solutions (IDS) provides end-to-end document management, support and services in the areas of graphic design, print services (digital and press), imaging services (scanning and microfilm), data entry, copiers, mail processing and delivery, and secure warehousing and fulfillment, serving all government entities across Colorado. IDS advises, assists, and supports each agency's needs and provides a wide variety of document solutions at a professional level and generally at a lesser cost than that of private vendors. From business cards, graphic design, print to imaging, mail, and delivery, IDS partners with each customer to offer professional services tailored to their need and budget.

### ***Address Confidentiality Program (ACP)***

The Address Confidentiality Program (ACP) provides survivors of domestic violence, sexual offenses, and/or stalking with a legal substitute address for interacting with all state and local government agencies. The program also provides a confidential mail forwarding service. The intent is to protect the location of a survivor's physical address and reduce the risk of future harm. All State and local government agencies must accept the substitute address as the participant's legal address of record. Some uses for the substitute address include driver licenses, human services benefits, police reports, and utility accounts.

### *Colorado State Archives*

The Colorado State Archives serves all three branches of State government, special districts, municipalities, counties, schools, and the general public. The Program plans, manages, operates, and implements the State's archival and records management program in order to protect, preserve, and maintain historic and legally significant documents.

### **Division of Accounts and Control**

The Office of the State Controller within the Division of Accounts and Control manages the financial affairs of the State of Colorado. The office promulgates State Fiscal Rules, performs statewide financial reporting, oversees the State's end-of-year financial close, manages the State contracting and procurement processes, performs audit activities, manages the State's central collections services, maintains central aspects of the State's financial system, manages central payroll functions, and directs Colorado Operations Resource Engine (CORE) operations. Major program areas are outlined below.

#### *Financial Operation & Reporting*

Financial Operations and Reporting includes Reporting and Analysis, Central Payroll, and Central Accounting & Vendor Management.

- *Reporting & Analysis* provides financial information for Coloradans, legislators, and government managers, by producing the Comprehensive Annual Financial Report, monthly revenue summaries, quarterly financial reports, Schedule of TABOR Computations, and other statutory and ad hoc reports. Financial Reporting and Analysis prepares the statewide budget/cash indirect cost allocation plan and provides support for the Joint Budget Committee in explaining and defending allocations. The unit provides technical assistance and training to agencies related to cost accounting matters.
- *Central Payroll* processes statewide payroll, distributes employees' earnings correctly and timely, collects deductions from each employee required by law including taxes, PERA, and garnishments and voluntary deductions such as medical insurance, 401K, and 457 plans and provides professional and technical guidance to payroll personnel in agencies.
- *Central Accounting & Vendor Management* provides support and training regarding vendor customer set up, vendor self-service, warrant/EFT management, warrant cancel, reissue, and escheatment, unclaimed property, vendor intercepts, PERA retiree independent contractor reporting, TIN matching, and 1099 Federal Reporting.

#### *Procurement and Contracts*

Statewide Procurement and Contracts manages statewide centralized procurement through promulgation of the State's procurement rules, procurement education and leadership, solicitation and administration of statewide price agreements, procurement services for non-delegated agencies, and appeals authority for bid protests. The unit develops contracting policies and procedures, drafts model contracts, advises, trains, and reviews/approves expenditure contracts.

#### *Central Collection Services*

Central Collection Services collects past due debts owed to State agencies, Institutions of Higher Education and political subdivisions after initial collections efforts by those entities have been unsuccessful.

#### *CORE Operations*

The CORE Operations unit provides strategic direction, execution, and maintenance of the Colorado Operations Resource Engine (CORE). The unit provides leadership in fostering collaboration and cooperation between the Department and state agencies, political subdivisions, Institutions of Higher Education, and nonprofits throughout the life of the CORE system. The unit focuses on: change management, communications, data analysis, business process development, business process re-engineering, directing end-user testing, training, relationship management, configuring application solutions, leading user community meetings, migration of legacy systems to CORE (e.g., BIDS, COMPASS), and implementation of continuous improvement initiatives to ensure the functionality of the system is fully maximized.

### **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 OAC is one of approximately 30 central panels of independent Administrative Law Judges (ALJs) in the United States. The OAC hears and decides administrative law matters concerning: Workers' Compensation merits hearings and public benefits cases, professional licensing board work involving the denial, revocation, or suspension of other disciplines of holders of a professional license, Fair Campaign Practices Act complaints, and appeals for Colorado's Health Insurance Exchange.

### **Division of Capital Assets**

The Division of Capital Assets (DCA) is focused on high value assets owned by the State of Colorado to ensure the most efficient use of this property. The employees of DCA provide a structured procurement, maintenance, and disposal of the State's buildings, vehicles, and linear assets, ensuring maximum value for Colorado. This systematic approach demonstrates a dedication to economic, transparent, and sustainable resource management. The Division of Capital Assets provides planning and maintenance for capital assets owned or leased by the State, through two programs.

#### *Facilities Maintenance—Capitol Complex*

Capitol Complex is responsible for property management, maintenance, and restoration of all State properties within the Capitol Complex, plus some of the State's facilities in Camp George West, Lakewood, and Grand Junction. Capitol Complex provides statewide coordination of building services, as well as implementation of energy and government greening initiatives in coordination with the Office of the State Architect.

#### *Fleet Management Program and Motor Pool Services*

The State Fleet Program provides oversight for all vehicles in the State fleet, including administration of the fleet, vehicle purchasing, repairs and preventive services, collision management, vehicle reassignment, auction and salvage of older vehicles, operation of the State Motor Pool for daily rentals, and oversight of the State fleet alternative fuels and energy sustainability programs in support of government greening initiatives.



# Department Mission & Vision

---

The Department of Personnel & Administration (the Department) provides many cost effective state-wide foundational services to agencies and employees, so they can remain focused on meeting their department's mission. The Department delivers core functions in infrastructure, processes, guidance and tools to alleviate redundancies and reduce costs in State government. Our commitment is to offer the right services at the right time; we recognize our customers depend upon us. Our people embody the Department values of: integrity, teamwork, responsiveness, transparency, and service to guide our day-to-day operations and ensure we "do the right thing" so our customers remain productive. The Department actively seeks better ways to execute the work. The Department routinely collaborates with employees throughout the State to implement innovative solutions improving the State's ability to serve the public. Solutions applied in one agency are often leveraged into multiple agencies to reduce the cost of doing business and be better stewards of the taxpayers' money. The services provided by the Department enable executive branch agencies to achieve their missions and advance the Governor's goals.

## **Department Mission**

The Department of Personnel & Administration is the foundation for dependable state government, leading with responsiveness, integrity, and teamwork. We provide services to other government agencies and all Coloradans by taking bold initiative toward a government with engaged employees, innovative solutions, and constructive partnerships. Good government starts here.

## **Department Vision**

Building successful state government through initiative and collaboration.

# Overview of Performance Goals

The Department has four overall performance goals for FY 2019-20 that align with the Governor’s priorities.

Department Priorities	Outcome Measure
<p><b>Reduce Healthcare Costs</b> To expand health care value and reduce health care costs for Colorado state government employees.</p>	<p>Design and implement a new invitation to negotiate (ITN) process to procure services to provide health insurance benefits to State employees; with executed contracts by January 31, 2020.</p> <p>Increase the rate of preventive screenings for mammograms, wellness, colon-cancer and cholesterol by 5% for eligible state employees and their families, during the period July 1, 2019 to June 30, 2020.</p> <p>Increase the rate of state employees using the second opinion program to make more informed health care decisions and reduce health care costs by June 30, 2020.</p>
<p><b>Reduce Energy Consumption</b> To reduce the amount of energy consumed by Colorado government.</p>	<p>Transition from 0% to 100% of state-owned buildings equipped with LED lighting (approximately 22,000 light fixtures within 17 buildings across Colorado) by June 30, 2020.</p>
<p><b>Make Colorado an Employer of Choice</b> To make the State of Colorado an Employer of Choice.</p>	<p>Conduct a listening tour with State employees by engaging with at least 50% of the employee population by March 2020.</p>
<p><b>Create Innovation and Efficiencies</b> To drive down costs by leveraging the State of Colorado’s negotiating power with vendors.</p>	<p>Design and implement a new invitation to negotiate (ITN) process and procurement certification training program to increase vendor competition and leverage the State’s negotiation power and increase statewide procurement of goods and services from \$0 to \$1 Billion (total contract value procured) by June 30, 2020.</p>

# Program and Goal Evaluation

## Strategic Policy Initiative 1: Reduce Health Care Costs

	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OUTCOME	Expand health care value and reduce costs, utilize an invitation to negotiate and procure services to provide health insurance benefits to state employees; have contracts executed by January 31, 2020.	CY	ITN: 1	RFP: 0	RFP: 0	RFP: 0	RFP: 0	RFP: 1	RFP: 0
	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OPERATIONAL	Design and implement a new invitation to negotiate (ITN) process to procure services to provide health insurance benefits to State employees; with executed contracts by January 31, 2020.	CY	at least 1 ITN w/12 subsections	N/A	N/A	N/A	N/A	N/A	N/A
	Increase the rate of preventive screenings for mammograms, wellness, colon-cancer and cholesterol by 5% for eligible state employees and their families, during the period July 1, 2019 to June 30, 2020.	FY	5% increase	N/A	N/A	N/A	N/A	N/A	N/A
	Increase the rate of state employees using the second opinion program to make more informed health care decisions and reduce health care costs by June 30, 2020.	FY	7% increase	N/A	N/A	N/A	N/A	N/A	N/A
INPUT	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
	Number of State of Colorado employees enrolled	FY	N/A	31,100	30,704	30,453	30,028	29,777	29,012
	Average percentage of Preventative Screenings	FY	66%	61%	60%	56%	57%	N/A	N/A
	Average Annual Employee Contribution Rate	FY	N/A	\$1,904	\$1,936	\$1,971	\$2,068	\$2,093	\$2,668
	Average Annual Change for Employee Health Contributions	FY	N/A	5.1%	2.8%	0.0%	11.3%	0.0%	5.1%

**Comments:** The Department plans to implement a new procurement process to utilize invitations to negotiate (ITNs). In the past, requests for proposals (RFPs) were utilized in the procurement process of health insurance providers. This goal is on track.

## Strategic Policy Initiative 2: Reduce Energy Consumption

	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OUTCOME	To reduce the amount of energy consumed by our Capitol Complex buildings, transition from 0% to 100% of our buildings equipped with LED lighting (approximately 22,000 light fixtures within 17 buildings across Colorado) by June 30, 2020.	FY	22,000	N/A	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OPERATIONAL	Utilize performance-based contracting (EPC) to identify best opportunities to achieve energy savings and create baseline data for measurement and reporting.	FY	execute financing contract	N/A	N/A	N/A	N/A	N/A	N/A
	Complete and Investment Grade Audit (IGA) to identify the most effective types of light fixtures and assess the energy saved by converting to LEDS.	FY	complete audit	N/A	N/A	N/A	N/A	N/A	N/A
	Identify and implement additional strategies for energy savings in the Capitol Complex based on the EPC.	FY	complete at least 1 additional phase	N/A	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
INPUT	Number of light fixtures replaced with LED	CY	N/A	0	1,257	0	0	0	0
	Capitol Complex Total Energy (KWH) Savings	FY	8% savings in total utility costs	\$2,433,533	\$2,181,968	\$2,556,432	\$2,264,513	\$2,555,081	\$2,565,632

**Comments:** The Department has already implemented energy performance contracts and upgraded buildings to reduce the electricity usage in Capitol Complex Facilities. Light fixtures throughout the Capitol Building have been equipped with LED lighting.

# Strategic Policy Initiative 3: Make Colorado an Employer of Choice

	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OUTCOME	To better understand our employees' perspectives for organizational success, meet with 50% of the State employees by March 2020 in order to create and roll-out a 3-year strategic plan by June 30, 2020 to make the State of Colorado Government an Employer of Choice.	FY	meet with 15,000 employees	N/A	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OPERATIONAL	Conduct a listening tour with State employees by engaging with at least 50% of the employee population by March 2020.	CY	15,000 employees	N/A	N/A	N/A	N/A	N/A	N/A
	Utilize feedback captured from the listening tour to inform and begin to roll out a 3-year strategic plan to make our State an Employer of Choice.	FY	create strategic plan	N/A	N/A	N/A	N/A	N/A	N/A
	Metric Description	Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
INPUT	Number of State Employees	FY	N/A	32,407	32,243	32,023	31,460	31,010	30,540

**Comments:** The Department plans to incorporate feedback from state employees into the strategic plan to continue to make the State an Employer of Choice. This goal is on track, but has a ways to go to be able to engage with 15,000 state employees within this fiscal year. Strategies to meet this goal include utilizing different approaches, such as in person sessions, a statewide employee engagement survey and others.

# Strategic Policy Initiative 4: Create Innovation and Efficiencies

		Year Type	FY 20 Targets	FY 19 Actual	FY 18 Actual	FY 17 Actual	FY 16 Actual	FY 15 Actual	FY 14 Actual
OUTCOME	<b>Metric Description</b>								
	Increase vendor competition and leverage the State's negotiation power, increase statewide procurement of goods and services from \$0 to \$1B (total contract value) through invitations to negotiate (ITNs) by June 30, 2020.	FY	\$1B	\$0	\$0	\$0	\$0	\$0	\$0
OPERATIONAL	<b>Metric Description</b>	<b>Year Type</b>	<b>FY 20 Targets</b>	<b>FY 19 Actual</b>	<b>FY 18 Actual</b>	<b>FY 17 Actual</b>	<b>FY 16 Actual</b>	<b>FY 15 Actual</b>	<b>FY 14 Actual</b>
	Analyze audits of contracts from the last five years to determine topics for statewide procurement training.	CY	audit 200 contracts	N/A	N/A	N/A	N/A	N/A	N/A
	Develop and establish first procurement certification training program, including ITNs, for agencies by June 30, 2020.	FY	complete at least 1 procurement certification training program	N/A	N/A	N/A	N/A	N/A	N/A
INPUT	<b>Metric Description</b>	<b>Year Type</b>	<b>FY 20 Targets</b>	<b>FY 19 Actual</b>	<b>FY 18 Actual</b>	<b>FY 17 Actual</b>	<b>FY 16 Actual</b>	<b>FY 15 Actual</b>	<b>FY 14 Actual</b>
	Total Number of Statewide Solicitations in CORE <i>Total Statewide Solicitations Include:</i> <ul style="list-style-type: none"> <li>documented quote (DQ1)</li> <li>invitation to bid (IFB1)</li> <li>request for proposal (RFP)</li> <li>invitation to negotiate (ITN)</li> </ul>	FY	N/A	DQ1: 670 IFB1: 258 RFP:286 ITN: 1  Total: 1,215	DQ1: 989 IFB1: 235 RFP:280 ITN: 0  Total: 1,504	DQ1:1417 IFB1: 250 RFP:292 ITN: 0  Total: 1,959	DQ1: 1441 IFB1:273 RFP:260 ITN: 0  Total: 1,974	DQ1: 1292 IFB1: 240 RFP:242 ITN: 0  Total: 1,774	N/A

**Comments:** The Department plans to implement a new procurement process to utilize invitations to negotiate (ITNs) to reduce costs to the State. The number of Statewide Solicitations in CORE does not include CDOT and Department of Law, as that data is not in the custody and purview of the Department of Personnel & Administration. This goal is on track with eight published ITNs and more pending.

# Evaluation of Performance

## Strategic Policy Initiative 1: Reduce Health Care Costs

Relevant Major Program Areas	Key Strategies
<p><b>Program 1: Division of Human Resources</b>  <i>The Division of Human Resources provides support to State agencies, by 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 Office of the Governor, the Department of Treasury, and certain institutions of higher education.</i></p>	<p>Utilize an invitation to negotiate to procure services to provide health insurance benefits to state employees; have contracts executed by January 31, 2020.</p> <p>Increase the rate of preventive screenings for mammograms, wellness, colon-cancer and cholesterol by 5% for eligible state employees and their families, during the period July 1, 2019 to June 30, 2020.</p> <p>Support our employees in making more informed health care decisions and reduce health care costs by contracting for and implementing a second opinion program by June 30, 2020.</p>
<p><b>Program 2: Risk Management</b>  <i>The Risk Management Program protects the State's human resource and property assets through the administration of liability, property, 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.</i></p>	<p>Improve safety culture to reduce workers' comp claims. The more employees know about safety in the workplace the better they will be suited to avoid workplace injuries.</p>
<p><b>Program 3: CSEAP</b>  <i>The Colorado State Employee Assistance Program (CSEAP) provides organizational and individual assistance to state agencies and employees in every region of the state.</i></p>	<p>Increase triage and supportive services in an effort to increase the use of free CSEAP counseling benefit and reduce use of ER/Urgent care use in response to mental health concerns thus saving state employees money.</p>
<p><b>Program 4: Executive Director's Office</b>  <i>The Executive Director's Office performs management functions for the Department, including management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations.</i></p>	<p>Oversee the utilization of an invitation to negotiate to procure services to provide health insurance benefits to state employees; have contracts executed by January 31, 2020.</p>

# Strategic Policy Initiative 2: Reduce Energy Consumption

Relevant Major Program Areas	Key Strategies
<p><b>Program 1: Division of Capital Assets</b>  <i>The Division of Capital Assets (DCA) consists of Capitol Complex Facilities Management and State Fleet Management and exists to provide centralized business support services at competitive pricing to state agencies.</i></p>	<p>Utilize performance-based contracting to identify best opportunities to achieve energy savings and create baseline data for measurement and reporting.</p> <p>Complete an Investment Grade Audit (IGA) to identify the most effective types of light fixtures and assess the energy saved by converting to LEDs.</p> <p>Identify and implement additional strategies for energy savings in the Capitol Complex based on the IGA.</p>
<p><b>Program 2: Executive Director’s Office</b>  <i>The Executive Director’s Office performs management functions for the Department, including management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations.</i></p>	<p>Oversee the utilization of performance-based contracting to identify best opportunities to achieve energy savings and create baseline data for measurement and reporting.</p>



# Strategic Policy Initiative 3: Make Colorado an Employer of Choice

Relevant Major Program Areas	Key Strategies
<p><b>Program 1: Executive Director’s Office</b></p> <p><i>The Executive Director’s Office performs management functions for the Department, including management direction, policy formulation and core internal functions in the areas of financial services, human resources, communications and legislative relations.</i></p>	<p>Conduct a listening tour with state employees by engaging with at least 50% of the employee population.</p> <p>Utilize feedback captured from the listening tour to inform and begin to roll out a 3-year strategic plan to make our State an Employer of Choice.</p> <p>Support programs to enhance the State of Colorado as an Employer of Choice.</p> <p>Establish a budget to support the deployment of the 3-year strategic plan to become the Employer of Choice.</p>
<p><b>Program 2: Division of Human Resources</b></p> <p><i>The Division of Human Resources provides support to State agencies, by providing interpretation of applicable rules and regulations; handling appeals to the State Personnel Director from employees; providing policy guidance for State benefits, the Performance Based Pay Plan, 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.</i></p>	<p>Participate with the Executive Director’s Office in conducting a listening tour to better understand our employees’ perspectives for organizational success.</p>
<p><b>Program 3: Training Services</b></p> <p><i>The Training Services program designs and delivers training and professional development opportunities for State employees, by offering classes, assessments, consulting, and certificate programs for individual, professional, and organizational development that maximize employee efficiency and are linked to organizational goals.</i></p>	<p>Develop new supervisory certificate to enhance supervisors’ knowledge and ability to onboard and interact with state employees in a way that supports engagement, retention, and high levels of performance.</p> <p>Create onboarding process across all agencies that establishes a systemic approach to training by December 31, 2019.</p>
<p><b>Program 4: Employee Benefits Services</b></p> <p><i>The Employee Benefits Services administers employee group benefits plans (medical, dental, life, flexible spending accounts, and wellness plans), ensures compliance with a number of federal and State laws including Affordable Care Act (ACA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and the Health Insurance Portability and Accountability Act (HIPAA).</i></p>	<p>Further reduce the response time for questions from employees on benefits.</p> <p>Research the implementation of the voluntary usage of the second-opinion program.</p>

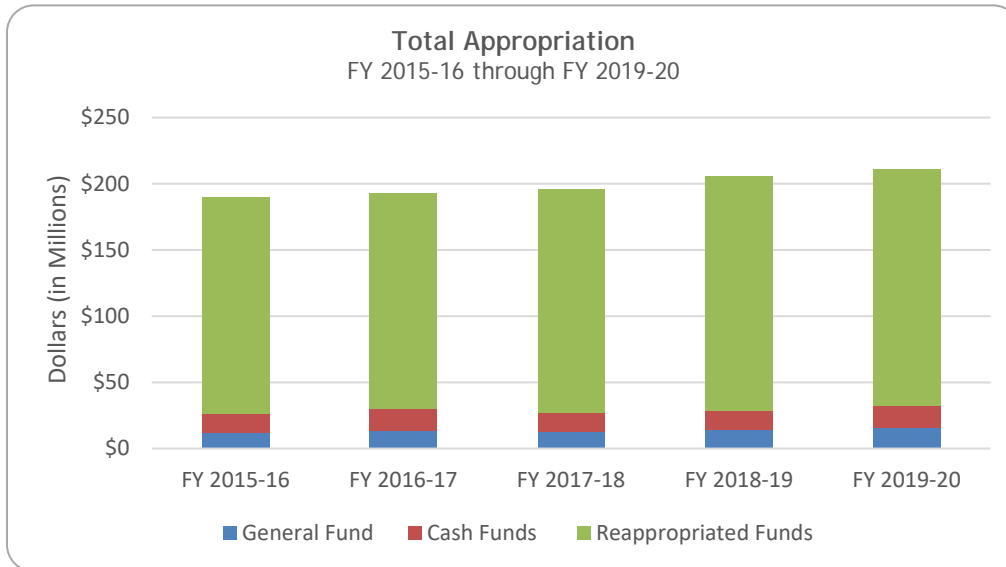
# Strategic Policy Initiative 4: Create Innovation and Efficiencies

Relevant Major Program Areas	Key Strategies
<p><b>Program 1: Division of Accounts and Control</b></p> <p><i>The Division of Accounts and Control promulgates State Fiscal Rules, performs statewide financial reporting, oversees the State’s end-of-year financial close, manages the State contracting process, performs audit activities, manages the State’s central collections services, maintains central aspects of the State’s financial system, manages central payroll functions, and directs CORE operations.</i></p>	<p>Analyze audits of contracts from the last five years to determine topics for statewide procurement training.</p> <p>Develop and establish the first procurement certification training program, including ITNs, for agencies by June 30, 2020.</p>
<p><b>Program 2: Division of Human Resources</b></p> <p><i>The Division of Human Resources provides support to State agencies, by providing interpretation of applicable rules and regulations; handling appeals to the State Personnel Director from employees; providing policy guidance for State benefits, the Performance Based Pay Plan, 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.</i></p>	<p>Support the implementation of the statewide time and leave tracking, payroll processing, performance and personnel management, statewide database for employee and position information components of HRWorks and continue to invest in human capital management for the State.</p>
<p><b>Program 3: Office of Administrative Courts</b></p> <p><i>The Office of Administrative Courts (OAC) is Colorado’s centralized administrative court system that provides a central panel of administrative law judges (“ALJs”) to decide workers’ compensation, human services, licensing, and a variety of other cases.</i></p>	<p>Increase the number of initial SNAP hearing cases scheduled within 25 days by June 30, 2020.</p> <p>Decrease the time to open general services cases and workers’ compensation cases to 3 business days by June 30, 2020.</p>
<p><b>Program 5: Integrated Document Solutions</b></p> <p><i>Integrated Document Solutions (IDS) provides end-to-end document management operation, serving all government entities across Colorado. IDS advises, assists and supports each agency’s needs and provides a wide variety of document solutions at a professional level and at a fraction of the cost of private vendors. From business cards, graphic design, print to imaging, mail, and delivery, IDS partners with each agency to offer professional services tailored to each program’s need and budget.</i></p>	<p>Develop and begin implementation of a 5 year strategic plan and roadmap for IDS, designed to provide enhanced customer service through increased transactional volumes, decrease rates, and deliver increased value to the State.</p>

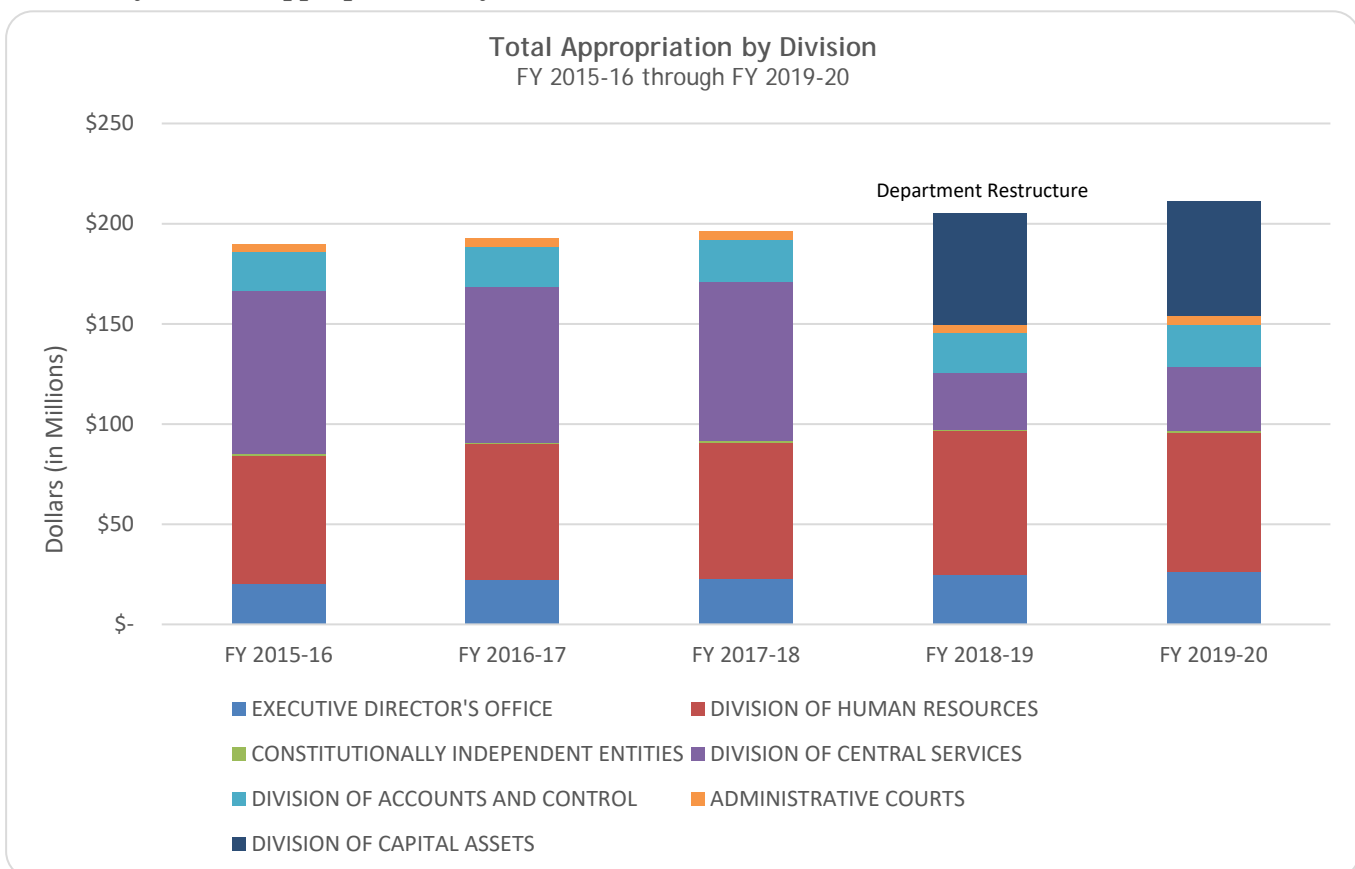
# Financial Structure

## Department Budget: Graphic Overview

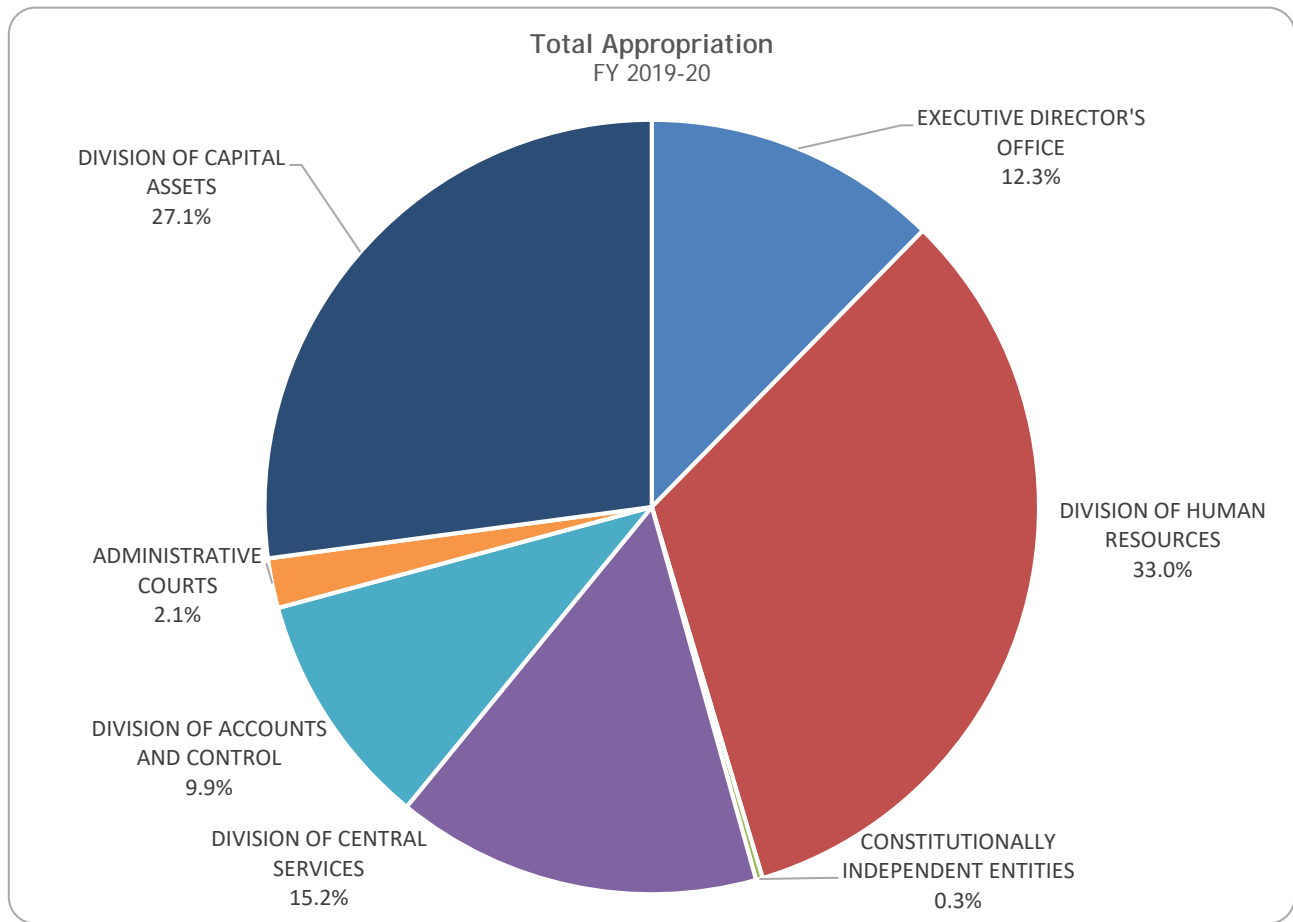
### History of Total Appropriations by Fund Source



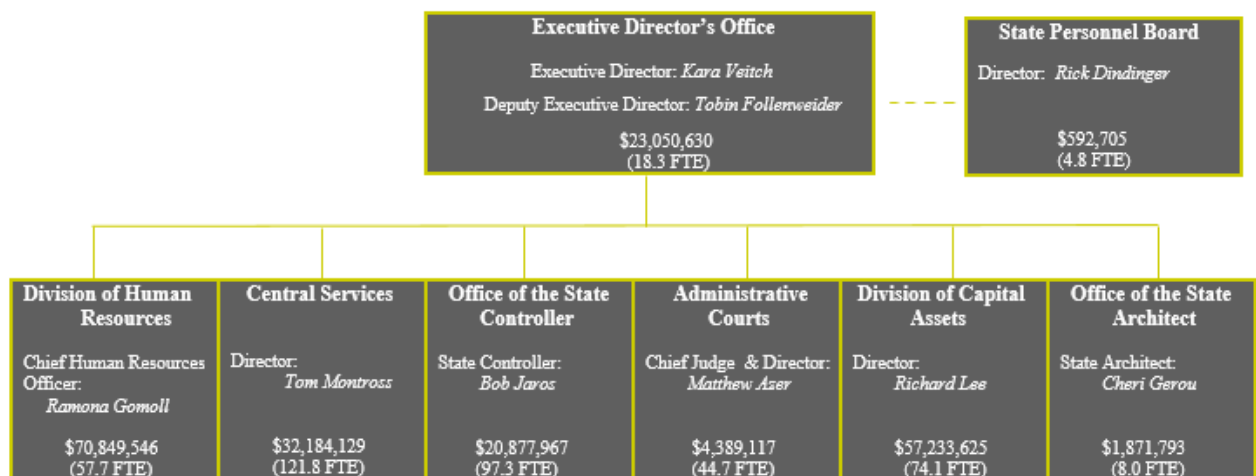
### History of Total Appropriations by Division



## Distribution of Total Funds by Division



## Department Organizational Chart with Total Appropriations for FY 2019-20



\*Organizationally, CSEAP functions as part of the Division of Human Resources, and the Office of the State Architect is its own Division; the associated FY 2019-20 total appropriations are displayed in the organizational chart accordingly.

# Department Budget Overview

The Department of Personnel & Administration is comprised of seven divisions: (1) Executive Director’s Office, (2) Division of Human Resources, (3) Constitutionally Independent Entities, (4) Division of Central Services, (5) Division of Accounts and Control, (6) Administrative Courts, (7) Division of Capital Assets.

Department of Personnel & Administration						
Fiscal Year	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Total
FY 2015-16	\$11,768,626	\$0	\$14,342,644	\$163,651,651	\$0	\$189,762,921
FY 2016-17	\$13,145,504	\$0	\$16,928,150	\$162,444,496	\$0	\$192,518,150
FY 2017-18	\$12,499,410	\$0	\$14,926,636	\$168,790,189	\$0	\$196,216,235
FY 2018-19	\$14,074,381	\$0	\$14,336,747	\$176,990,307	\$0	\$205,401,435
Current Appropriation	\$15,633,396	\$0	\$16,939,500	\$178,476,706	\$0	\$211,049,602

**Comments:** The Department’s total appropriation is inclusive of the long bill and special bill appropriations.

In FY 2017-18, JBC Staff initiated adjustments that drastically reduced the Department’s appropriations.

**Colorado Revised Statute (24-50.3-101 through 105)  
State Administrative Support Services-Department of Personnel**

**C.R.S. 24-50.3-101**

...the department of personnel, which is responsible for the administration of the state personnel system, will result in increased efficiency, reduced costs, increased accountability, and improvements in the provisions of services to state agencies and the public.

# (1) Executive Director’s Office

The Executive Director’s Office oversees the Department’s Administration, in addition to Statewide Special Purpose programs. These Statewide Special Purpose programs include: the Colorado State Employees Assistance Program (CSEAP), the Office of the State Architect (OSA), Test Facility Lease, Employment Security Contract Payment and the Disability Funding Committee (formerly called the Disability Investigational and Pilot Support Procurement Program).

<b>(1) Executive Director’s Office</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$6,866,451	\$0	\$3,072,362	\$10,425,151	\$0	\$20,363,964
FY 2016-17	\$7,831,597	\$0	\$3,160,667	\$11,423,099	\$0	\$22,415,363
FY 2017-18	\$6,183,389	\$0	\$2,823,899	\$13,575,599	\$0	\$22,582,887
FY 2018-19	\$7,245,207	\$0	\$3,144,322	\$14,276,512	\$0	\$24,666,041
Current Appropriation	\$7,984,156	\$0	\$3,385,716	\$14,687,797	\$0	\$26,057,669

**Comments:** The Executive Director’s Office (EDO) is appropriated spending authority for total compensation common policies and statewide common policies. Most major fluctuations in the appropriations within the EDO lines over the past four years are mainly due to the total compensation common policy and statewide common policy annual adjustments.

In FY 2016-17, the Office of the State Architect received ongoing appropriations of General Fund for a Statewide Planning program, which supports the implementation of comprehensive long-term planning for state agencies.

In FY 2017-18, JBC Staff initiated adjustments that drastically altered the Executive Director’s Office appropriations, in addition to other programs within the Department.

In FY 2018-19, the Department was restructured and the Colorado State Archives was moved to the Division of Central Services.

Significant increases in the current appropriation compared to FY 2018-19 include the newly added PERA Direct Distribution allocation, payments to OIT and Health, Life, and Dental adjustments.

## Program Statutory Authority

**C.R.S. 24-50-604 (k) through 145:** Colorado Employee Assistance Program

**C.R.S. 24-30-1301 through 1311, 24-82-202, 24-92-110:** Office of the State Architect

**C.R.S. 24-30-2201 through 2211:** Disability Investigational and Pilot Support Procurement

## (2) Division of Human Resources

The Division of Human Resources is comprised of program units for State Agency Services (SAS), Training Services (Center for Organizational Effectiveness), Employee Benefits Services, and Risk Management Services for Liability, Property and Workers' Compensation.

<b>(2) Division of Human Resources</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$2,014,411	\$0	\$2,289,823	\$59,861,331	\$0	\$64,165,565
FY 2016-17	\$2,115,074	\$0	\$3,062,844	\$62,413,232	\$0	\$67,591,150
FY 2017-18	\$2,031,559	\$0	\$3,018,534	\$63,265,057	\$0	\$68,315,150
FY 2018-19	\$2,149,308	\$0	\$3,053,288	\$66,888,877	\$0	\$72,091,473
Current Appropriation	\$2,110,808	\$0	\$3,181,425	\$64,422,067	\$0	\$69,714,300

**Comments:** The major fluctuations for the Division over the past four years are mainly within the Risk Management Services line for the actuarially based claims associated with risk management and workers' compensation.

In FY 2017-18 and ongoing, the Center for Organizational Effectiveness received an additional cash funds appropriation in support of the Governor's Talent Challenge.

The H.B. 07-1335 Supplemental State Contribution Fund appropriation continues to increase annually, based on money available from the Tobacco Master Settlement Agreement. This line item is continuously appropriated.

### **Division of Human Resources Statutory Authority**

**C.R.S. 24-50-101 through 145:** Consulting Services (State Agency Services)

**C.R.S. 24-50-122:** Statewide Training & Development (Center for Organizational Effectiveness)

**C.R.S. 24-50-104, S.C. Article XII, Section 13:** Compensation Unit

**C.R.S. 24-50-601 through 608:** Employee Benefits Unit

**C.R.S. 24-30-1501 through 1520, 24-24-10-114:** Risk Management Services

### (3) Constitutionally Independent Entities

The Constitutionally Independent Entities includes the State Personnel Board.

<b>(3) Constitutionally Independent Entities</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$535,859	\$0	\$0	\$1,178	\$0	\$537,037
FY 2016-17	\$546,302	\$0	\$0	\$1,178	\$0	\$547,480
FY 2017-18	\$548,780	\$0	\$0	\$0	\$0	\$548,780
FY 2018-19	\$567,323	\$0	\$0	\$0	\$0	\$567,323
Current Appropriation	\$592,705	\$0	\$0	\$0	\$0	\$592,705

**Comments:** Starting in FY 2017-18 and ongoing, the Division’s Long Bill had its reappropriated funds spending authority removed because it was not being utilized. It was originally intended to charge agencies for documents relating case information. There has been minimal fluctuation within appropriations over the last four years.

#### State Personnel Board Statutory Authority

##### C.R.S. 24-50-103

(1) The state personnel board...is created pursuant to the provisions of section 14 of article XII of the state constitution.



## (4) Division of Central Services

The Division of Central Services includes: Integrated Document Solutions (IDS), Address Confidentiality Program (ACP), and the Colorado State Archives.

<b>(4) Division of Central Services</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$154,032	\$0	\$1,522,187	\$79,574,825	\$0	\$81,251,044
FY 2016-17	\$143,543	\$0	\$1,553,595	\$76,471,536	\$0	\$78,168,674
FY 2017-18	\$1,159,017	\$0	\$1,553,595	\$76,790,786	\$0	\$79,503,398
FY 2018-19	\$1,443,470	\$0	\$1,394,720	\$25,379,062	\$0	\$28,217,252
Current Appropriation	\$1,471,267	\$0	\$1,368,861	\$29,341,301	\$0	\$32,181,429

**Comments:** In FY 2018-19, the Division of Central Services was restructured to include the Colorado State Archives and moved the Fleet Management program and Facilities Maintenance—Capitol Complex program to the newly created Division of Capital Assets.

Outside of realigning programs to other Divisions, a majority of the fluctuations throughout the programs within the Division over the last four years were created through increased operating expenses and postage costs.

In FY 2016-17 and ongoing, Integrated Document Solutions added a commercial print payments line with reappropriated funds.

In FY 2017-18, Facilities Maintenance—Capitol Complex received a General Fund appropriation for Maintenance and Historical Renovation.

In FY 2018-19, State Archives operating expenses increased significantly with the continued implementation of Legislative Audio Digitization Projects, investments in technology and commencing the migration to digital storage.

In FY 2018-19 and FY 2019-20, the Address Confidentiality Program (ACP) received funding for increased operating costs due to caseload growth as well as funding for outreach efforts to increase access to the ACP statewide.

### Division of Central Services Statutory Authority

**C.R.S. 24-30-1101 through 1111:** Integrated Document Solutions

**C.R.S. 24-30-2101:** Address Confidentiality Program

**C.R.S. 24-80-101 through 114:** Colorado State Archives

# (5) Division of Accounts and Control

The Division of Accounts and Control encompasses the Financial Operations and Reporting Unit, Collections Services, Procurement and Contracts, and CORE Operations.

<b>(5)Division of Accounts and Control</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$2,197,873	\$0	\$7,351,178	\$10,142,734	\$0	\$19,691,785
FY 2016-17	\$2,508,988	\$0	\$9,043,950	\$8,212,221	\$0	\$19,765,159
FY 2017-18	\$2,568,565	\$0	\$7,424,692	\$11,080,452	\$0	\$21,073,709
FY 2018-19	\$2,669,073	\$0	\$5,961,094	\$11,284,302	\$0	\$19,914,469
Current Appropriation	\$3,471,670	\$0	\$8,554,458	\$8,851,839	\$0	\$20,877,967

**Comments:** The major fluctuations over the last four years within the Division are mainly driven by the implementation of CORE in FY 2015-16 and the ongoing Payments for CORE and Support Modules lines supported by cash and reappropriated funds.

### Division of Accounts and Control Statutory Authority

**C.R.S. 24-30-201 through 207:** Financial Operations and Reporting

**C.R.S. 24-101-101 through 24-112-101:** Procurement and Contracts

**C.R.S. 24-30-201 through 207:** Central Collection Services

**C.R.S. 24-30-209:** CORE Operations

## (6) Administrative Courts

Administrative Courts includes the Office of Administrative Courts.

<b>(6) Administrative Courts</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	\$0	\$0	\$105,916	\$3,647,610	\$0	\$3,753,526
FY 2016-17	\$0	\$0	\$105,916	\$3,924,408	\$0	\$4,030,324
FY 2017-18	\$8,100	\$0	\$105,916	\$4,078,295	\$0	\$4,192,311
FY 2018-19	\$0	\$0	\$109,633	\$4,067,145	\$0	\$4,176,778
Current Appropriation	\$0	\$0	\$109,633	\$4,279,484	\$0	\$4,389,117

**Comments:** The minor fluctuations in appropriations over the last four years are related to caseloads, special bills, and increased travel associated with caseload throughout the state.

**Colorado Revised Statute (24-30-1001 through 1003)  
Division of Administrative Hearings Statutory Authority**

**C.R.S. 24-30-1001**

(1)... hereby created the office of administrative courts in the department of personnel...the office of administrative courts shall exercise its powers and duties, and functions as a type 2 agency.

# (7) Division of Capital Assets

The Division of Capital Assets Includes: Facilities Maintenance—Capitol Complex (CCLS) and Fleet Management Program and Motor Pool Services (SFM).

<b>(7) Division of Capital Assets</b>						
<b>Fiscal Year</b>	<b>General Fund</b>	<b>General Fund Exempt</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total</b>
FY 2015-16	--	--	--	--	--	--
FY 2016-17	--	--	--	--	--	--
FY 2017-18	--	--	--	--	--	--
FY 2018-19	\$0	\$0	\$673,690	\$55,094,409	\$0	\$55,768,099
Current Appropriation	\$0	\$0	\$339,407	\$56,894,218	\$0	\$57,233,625

**Comments:** The Division of Capital Assets was created during a restructure within the Department in FY 2018-19 which moved the Fleet Management program and Facilities Maintenance program from the Division of Central Services to the Division of Capital Assets.

In FY 2018-19, Capitol Complex received cash funds spending authority to complete Capitol Complex Security Upgrades to the buildings within the complex.

### Division of Capital Assets Statutory Authority

**C.R.S. 24-1-136.5; 24-82-101 through 103; 24-30-1303; 18-9-117**  
 Capitol Complex Facilities

**C.R.S. 24-30-1101 through 1108; 24-30-112 through 1117**  
 Fleet Management Program and Motor Pool Services

# Capital Expenditure Information

Departmental capital expenditures vary each year based on the controlled maintenance and restoration of all State properties within the Capitol Complex, as well as IT projects for the Department. A review of capital expenditures for the Department from FY 2015-16 through current appropriation are outlined below.

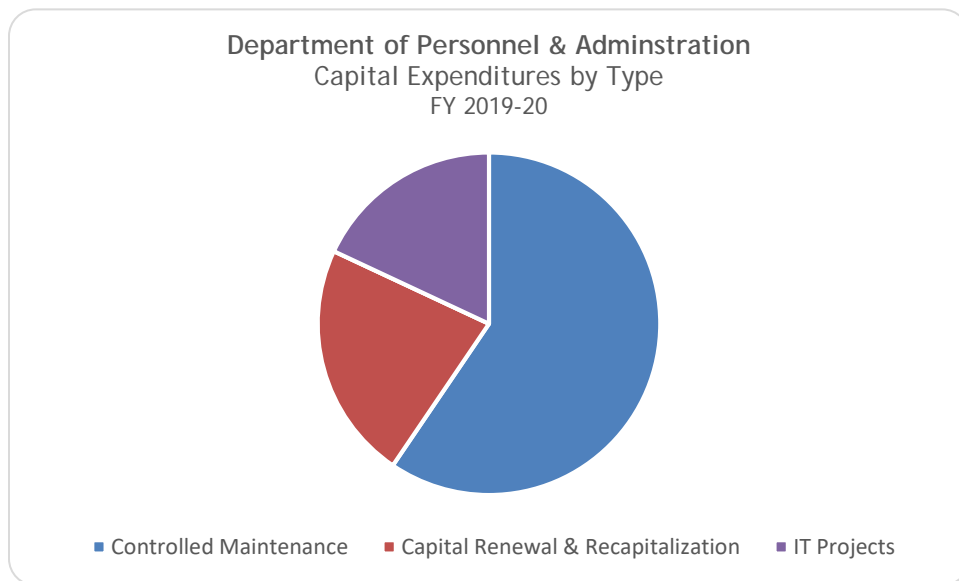
The Department used *controlled maintenance* appropriations to complete various controlled maintenance projects for all State properties within Capitol Complex, including some of the State’s facilities in Camp George West, Lakewood, and Grand Junction.

The Department used *capital renewal and recapitalization* funding to complete historical property rehabilitation and restoration of the Capitol Building and Governor’s Residence.

The Department of Personnel & Administration’s Fleet Management Program received \$1,625,610 in cash funds spending authority through IT Project funding to replace the Colorado Automotive Reporting System (CARS) during the FY 2019-20 Budget Cycle.

The Department did not receive *capital expansion* funding for the construction for new buildings and facilities in the last four years.

Department of Personnel & Administration Capital Expenditures					
Fiscal Year	Controlled Maintenance	Capital Renewal & Recapitalization	Capital Expansion	IT Projects	Total
FY 2015-16	\$3,054,217	\$1,500,000	\$0	\$0	\$4,554,217
FY 2016-17	\$2,990,000	\$8,109,248	\$0	\$0	\$11,099,248
FY 2017-18	\$5,414,957	\$6,069,053	\$0	\$0	\$11,484,010
FY 2018-19	\$2,000,000	\$1,150,000	\$0	\$0	\$3,150,000
Current Appropriation	\$5,295,323	\$2,000,000	\$0	\$1,605,610	\$8,900,933



# Department Ongoing Debt Obligations

The Department has ongoing obligations for each program related to the purchase of assets. While the Department owns several relatively high dollar value assets that are used to assist in providing adequate services to clients, with some cost recovered through depreciation, and non-appropriated funding is utilized to pay for certificate of participation (COP) obligations for the Merrick Parking Structure; these debt obligations were not outlined extensively in this analysis. There are a few ongoing obligations that impact the Department to a larger degree that are outlined below.

## CORE Operations

*House Bill 12-1335* allowed the State to enter into a ten year financing arrangement to pay for the system development and implementation of the CORE system. In FY 2015-16 the transfer of operations of the CORE system moved from the Office of Information Technology to the Department, as the business owner and owner of the common policy. The Department took over payments for the lease-purchase of the CORE system beginning in FY 2016-17, and these payments are due to conclude in FY 2022. Payments for CORE and Support Modules are expected to continue beyond the lease-purchase term. The system may require necessary maintenance and upgrades to ensure optimal functionality of CORE in future years.

## Energy Performance Contracts

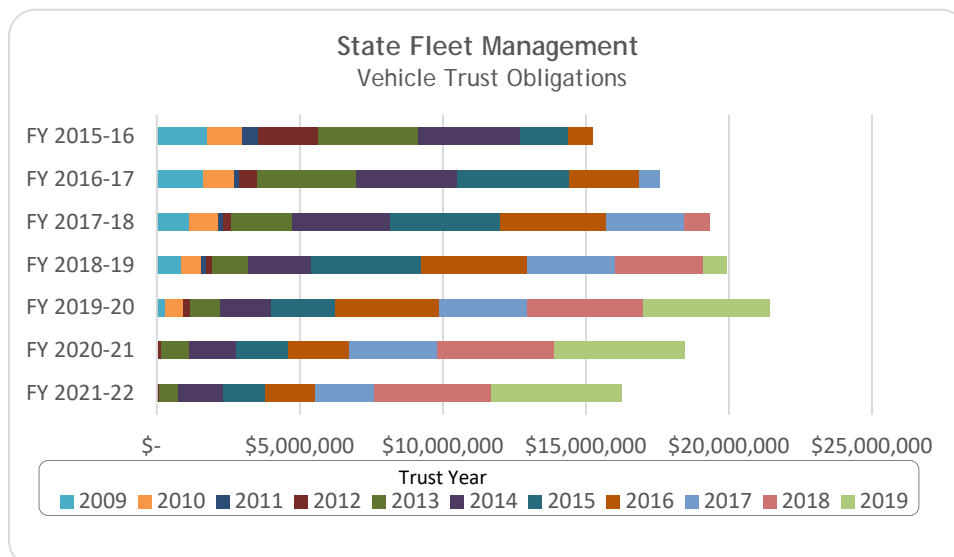
The Department uses several energy performance contracts (EPC) which provide an alternative funding source for the Department to repair and/or upgrade facilities. EPC projects improve facility energy and water efficiency, thus reduce utility usage and result in avoided future utility costs. The avoided future costs are the source of funds necessary over the life of the lease-purchase finance agreement within an energy performance contract.

## Document Solutions Group Facility

The Department has an agreement for the lease-purchase of the facility located in Pueblo, Colorado. In FY 2009-10, the Department entered into an agreement for the lease-purchase of the facility utilized by Document Solutions Group; these payments are due to conclude in FY 2026-27.

## State Fleet Management

The program is responsible for the 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. Vehicle purchases are held in a trust, with costs based on the initial year of purchase and the predicted payoff amount over the course of a ten year average. The trusts are updated annually to reflect the actual assessment of the amount owed on vehicles. The bars in the chart below represents the total annual debt payments made by State Fleet Management on behalf of agencies with fleet vehicles, and the colored segments within each bar identify the year in which the vehicle was added to the trust.



# Financial Forecast

## Baseline Forecast

Consistent with the previous four years' overall Departmental average experience, the baseline forecast for the Department includes an annual year-over-year increase of approximately three-and-one-half percent for cash funds that are experiencing stable growth. Funds that are going through programmatic change are excluded from this growth projection, but have been factored into the tables below.

Department of Personnel & Administration Total Appropriation Baseline Forecast FY 2020 24						
Fiscal Year	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	Total
Current Appropriation	\$15,633,396	\$0	\$16,939,500	\$178,476,706	\$0	\$211,049,602
FY 2020-21**	\$15,633,396	\$0	\$17,532,383	\$178,476,706	\$0	\$211,642,485
FY 2021-22*	\$15,633,396	\$0	\$18,146,016	\$178,476,706	\$0	\$212,256,118
FY 2022-23*	\$15,633,396	\$0	\$18,781,126	\$178,476,706	\$0	\$212,891,228
FY 2023-24*	\$15,633,396	\$0	\$19,438,466	\$178,476,706	\$0	\$213,548,568

\*Estimated appropriation excluding common policy, Statewide Indirects balancing, and P-Card balancing adjustments

### Department Forecasting

Although, the baseline forecast for FY 2020-21 and ongoing includes a three-and-one-half percent increase in cash funds, based on future estimates of population growth and inflation, this rate is susceptible to changes. Both 2019 June economic forecasts from the State of Colorado Governor's Office of State Planning and Budgeting and the Colorado Legislative Council Staff indicate trends towards a slower pace of growth compared to the recent years. Excess General Fund revenue is projected to trigger TABOR refunds in the next few years. General Fund comprises about seven percent of the Department's overall budget in FY 2019-20. As the Department is primarily funded through reappropriated funds from other agencies, changes in the baseline forecast can occur in direct response to adjustments in its customers' funding. The Department expects adjustments to the baseline growth estimates will be impacted by agency budget drivers, anticipated major expenses, common policy allocations, and requirements for Divisions and programs to meet the needs and changes in services for State agencies and employees. The details of these can be found in the following pages. Additionally, and as noted above, funds that are going through programmatic change and reformulation will not experience this level of growth.

# Agency Budget Drivers

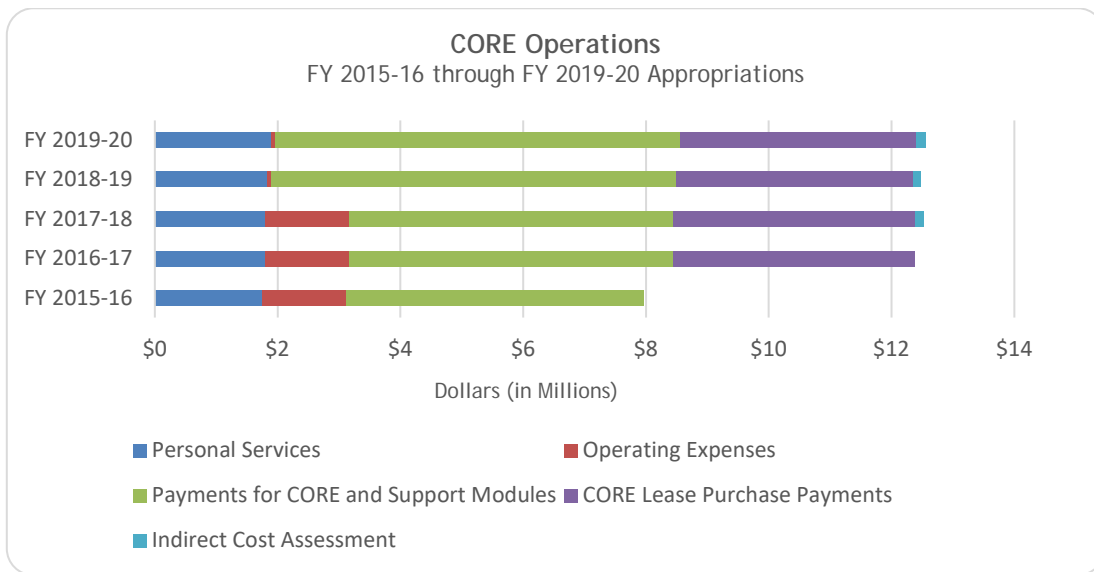
The following section is subdivided into two main categories, **Programmatic Budget Drivers** and **Common Policy Budget Drivers**. The Department is somewhat uniquely situated to provide services to other state agencies, and in many cases the budgets for these services are driven by our agency customers' needs. These budgetary drivers remain outside the control of the Department, but still within the sphere of control of the State.

## Programmatic Budget Drivers

The Department's budget is impacted by all programs within each division, with several programs experiencing significant changes in appropriations over the last five years. The programs that have seen drastic shifts in appropriations that impact the Department's budget to a greater degree include: CORE Operations, Risk Management Services Program, Integrated Document Solutions, Facilities Maintenance—Capitol Complex, and State Fleet Management.

### CORE Operations

Within the Division of Accounts and Control, CORE Operations manages the unified state financial and accounting system, through the Colorado Operations Resource Engine (CORE). In July 2014, the State of Colorado transitioned its financial, procurement and budget functions from the Colorado Financial Reporting System (COFRS) and other legacy systems to the Colorado Operations Resource Engine (CORE). In FY 2015-16 when the transfer of operations of the CORE system moved from the Office of Information Technology to the Department, any lease-purchase payments located in the capital budget for the development of CORE were moved to the operating budget. Funds in this common policy line item are supported by user fees from all state agencies and encompass each participating department's share of the ongoing costs of operating the CORE system, which include Payments for CORE and Support Modules and CORE Lease Purchase Payments.

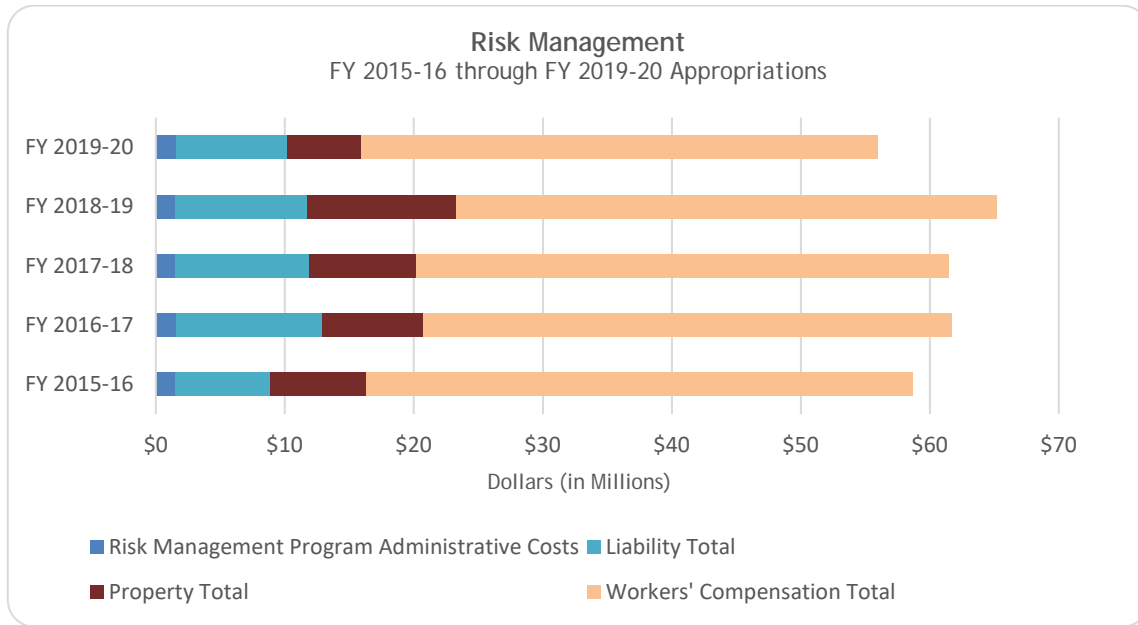


**Comments:** In FY 2018-19, CORE Operations appropriated operating expenses line was reduced, while the Payments for CORE and Support Modules line increased. The CORE Lease Purchase Payments are due to conclude in FY 2022. Payments for CORE and Support Modules are expected to continue beyond the lease-purchase term and the system may require necessary maintenance and upgrades to ensure optimal functionality of CORE.



### Risk Management Services Program

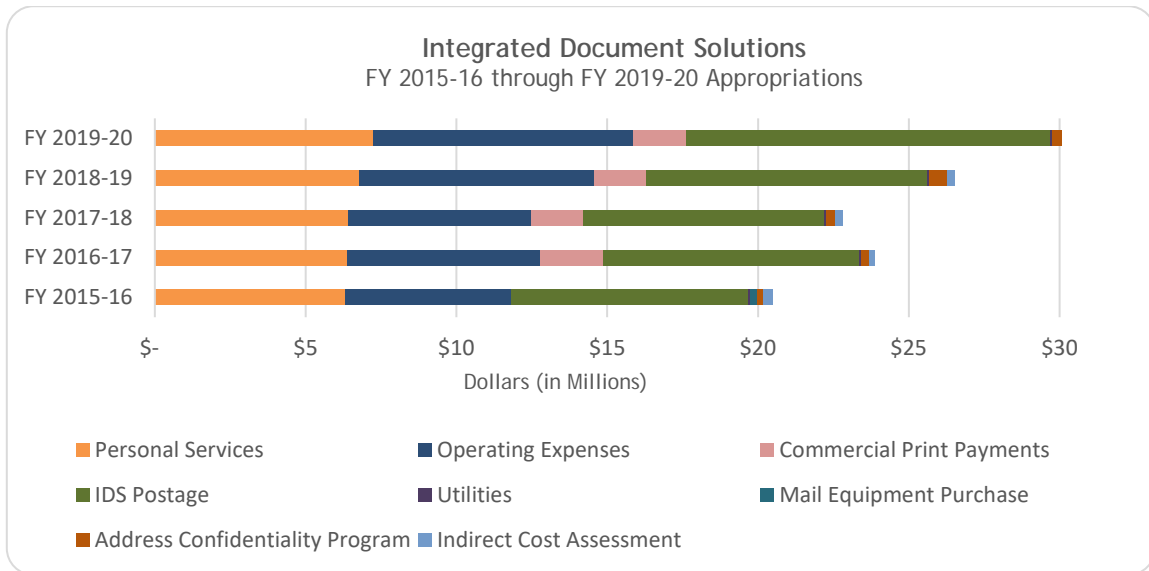
Within the Division of Human Resources, the Risk Management Services Program protects the State's human resource and property assets through the administration of liability, property, workers' compensation and loss control programs. Services include, but are not limited to, accident investigation, legal 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. The *Liability Program* is used to pay liability claims and expenses brought against the State. The *Property Program* pays for commercial insurance and associated deductibles to cover State properties and assets. The *Workers' Compensation Program* is used to pay workers' compensation benefits to State employees.



**Comments:** The programs administrative costs remain relatively unchanged, while property, liability, and workers' compensation appropriations vary annually based on actuarially determined usage. In FY 2018-19, property funds increased to cover the deductible costs associated with freeze, hail, and fire damages to State property. The Department expects the appropriations to continue to vary based on actuarially determined costs.

### Integrated Document Solutions

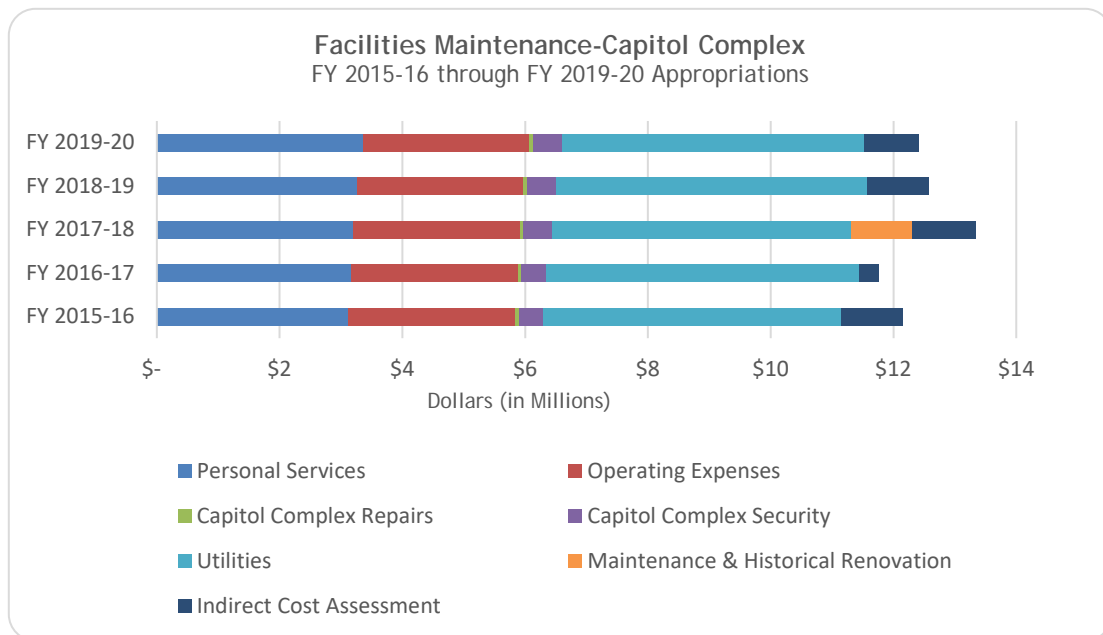
Within the Division of Central Services, the Integrated Document Solutions Group provides document and data-related support services, including print and design, mail operations, digital imaging, data entry, and manual forms and document processing.



**Comments:** Commercial Print Payments line was added in FY 2016-17, while the mail equipment purchase line item was removed in the same year. The program has seen increased costs in IDS postage and operating expenses lines, resulting in increased overhead costs.

### Facilities Maintenance—Capitol Complex

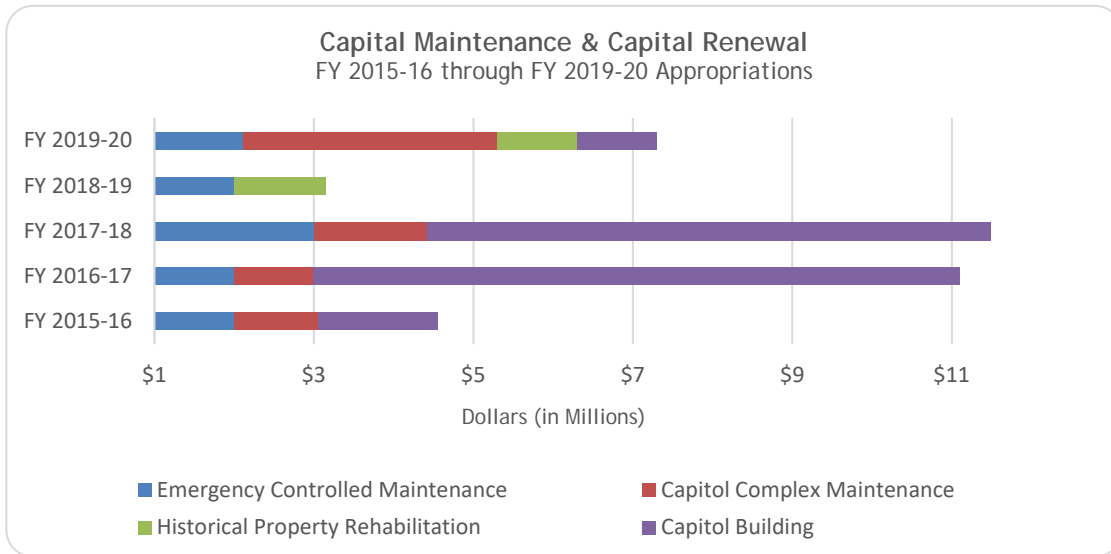
Within the Division of Capital Assets the Facilities Maintenance—Capitol Complex is responsible for the management of 17 state buildings, including the State Capitol building, the Governor’s Residence, State Services Building, Human Services Building, the Legislative Services Building and other state-owned office facilities. The Department is required by statute to recover the costs associated with operating and maintaining the buildings within the Capitol Complex. Allocations are determined by aggregating the costs associated with maintaining the facilities and running the program to an allocable pool, then splitting the pool among all user agencies based upon the amount of space occupied, (\$/sq. ft.). Appendix A provides full list of locations, agency tenants, and square footage.



**Comments:** Facilities Maintenance-Capitol Complex received a one-time appropriation for Historical Renovations in FY 2017-18. The Department expects the program to complete additional ongoing maintenance projects in the future.

**Capital Maintenance & Capital Renewal**

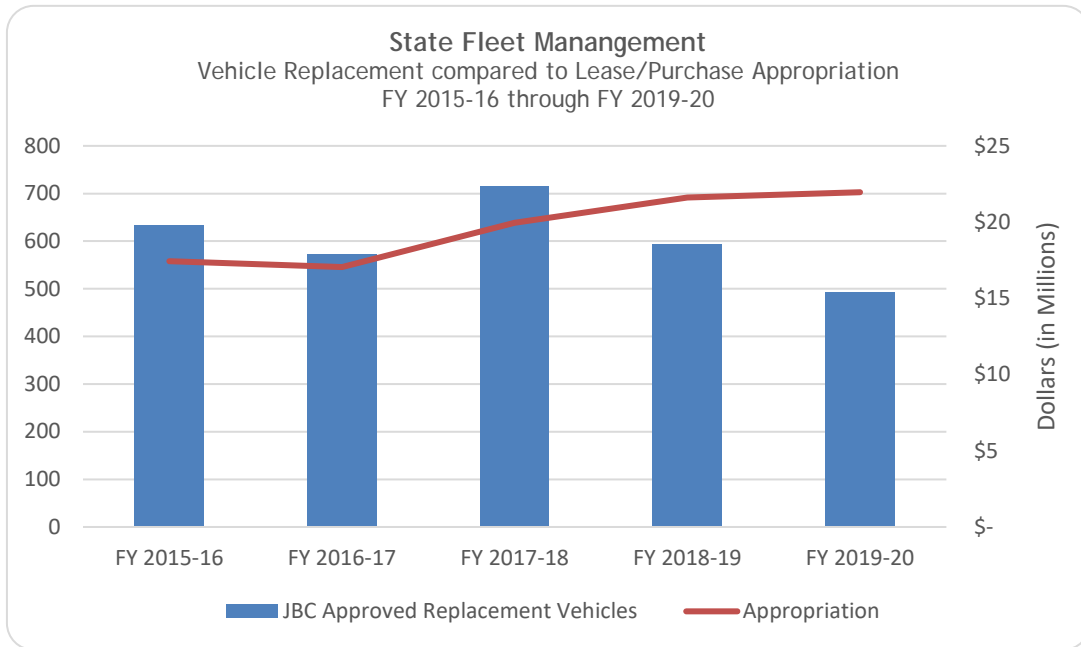
The Department utilizes several mechanisms to complete capital projects and rehabilitation of property owned by the State within the Capitol Complex. *Emergency controlled maintenance* is used when a general funded building or infrastructure emergency arises that poses a threat to public health, welfare, or safety and the expense is anticipated to be over \$5,000. *Capitol complex maintenance* projects restore and replace electrical, elevator, plumbing, lighting, HVAC, grounds maintenance, and general maintenance/repair issues. *Historical property rehabilitation* includes projects related to historic sites, such as the Capitol Building and Governor’s Residence.



**Comments:** Capital appropriations vary each year based on the controlled maintenance and restoration needs of all State properties within the Capitol Complex. The Department expects Master Plans and maintenance to drive capital appropriations.

### State Fleet Management

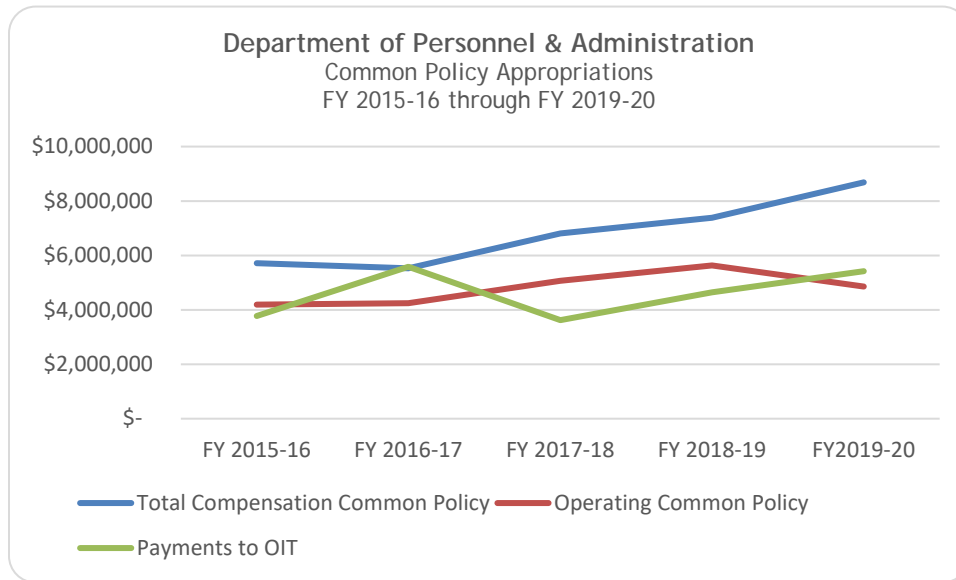
The Division of Capital Assets administers the State Fleet Management program, which purchases State Fleet vehicles, manages maintenance and repairs, manages the fleet, auctions older vehicles, and manages the state motor pool. While the average number of vehicles replaced annually is 600, vehicle Replacement Lease Purchase costs have increased. The Department expects an increase in alternative fuel vehicle (AFV) purchases in the future as more options become available. Additionally, each agency utilizes vehicles for specific functionality, which may add to the potential costs of vehicles; for example, State Patrol requires additional safety features.



**Comments:** Year over year, State Fleet vehicle cost have been rising, and the Department expects this trend to continue.

# Common Policy Budget Drivers

While the Department manages several common policies, it is also a customer of those same common policies and is impacted by the growth in common policy expense. The allocation of common policies to the Department impacts the costs associated with overhead costs for services the Department’s programs provides its customers. There are two categories of common policies: *statewide total compensation common policies* associated with salaries, PERA, short-term disability, and health, life, and dental and *operating statewide common policies* for services that are centrally provided by the Department of Personnel & Administration, the Department of Law, and the Governor’s Office of Information Technology. Like other agencies, the Department is required to pay its portion of common policies.

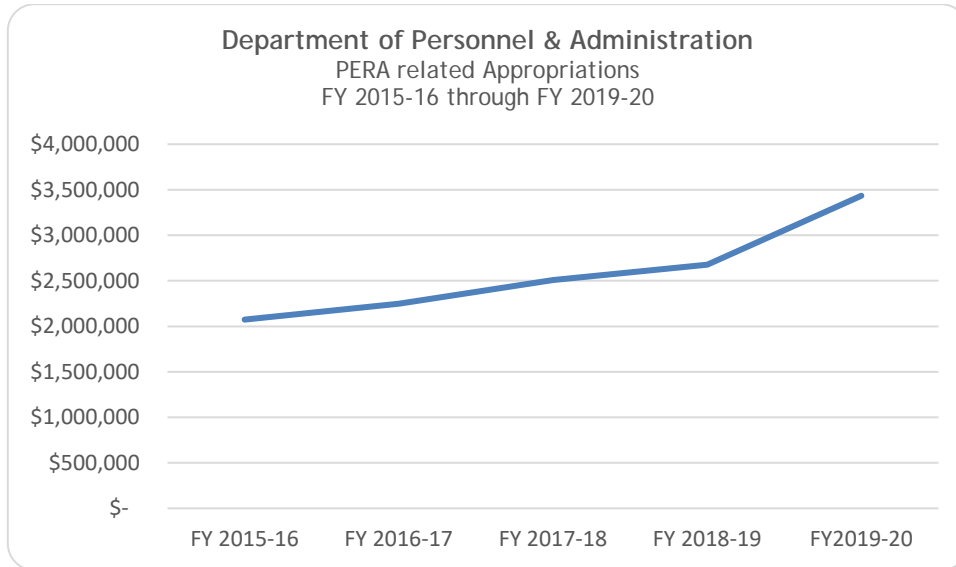


## Total Compensation Common Policy Budget Drivers

Total compensation common policies include salary survey, merit pay, shift differential, amortization equalization disbursement (AED), supplemental amortization equalization disbursement (SAED), PERA Direct Distribution, short-term disability, and health, life, and dental. Of the entire statewide total compensation common policies the few that drive the Department’s budget to a larger degree and are outlined below.

### PERA related contributions

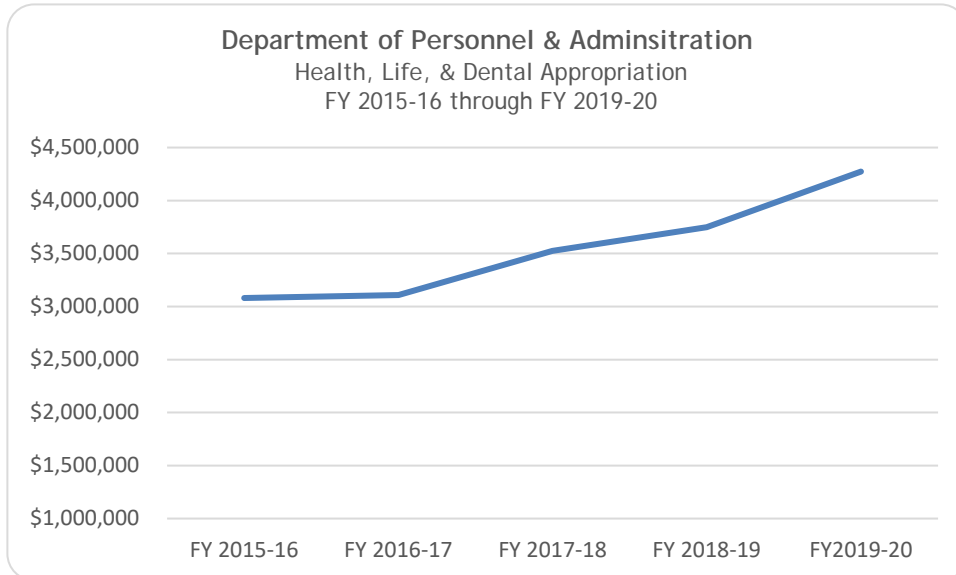
Public Employees’ Retirement Association’s (PERA) related contributions include three appropriation categories, the amortization equalization disbursement (AED) created in *Senate Bill 04-257*, the supplemental amortization equalization disbursement (SAED), created in *Senate Bill 06-235*, and the PERA Direct Distribution, created in *Senate Bill 18-200*, all with the intent to provide State funding contributions to assist in reducing the unfunded liability for PERA.



**Comments:** The Department’s overall appropriation for PERA related contributions (AED, SAED, PERA Direct Distribution) have climbed year-over-year. The PERA Comprehensive Annual Financial Report for the year ended December 31, 2018 indicated that an automatic adjustment will be required in July 2020, with an employee and employer contribution increase of 0.50 percent in addition to the annual PERA Direct Distribution.

**Health, Life, & Dental**

Each department’s Health, Life, and Dental (HLD) appropriation is designed to cover the State’s premium contribution for each employee’s HLD insurance election. The State offers four categories of coverage for medical and dental insurance: Employee Only, Employee plus Children, Employee plus Spouse, and Family. The Department’s employer share is appropriated based on the employee’s benefit selections.



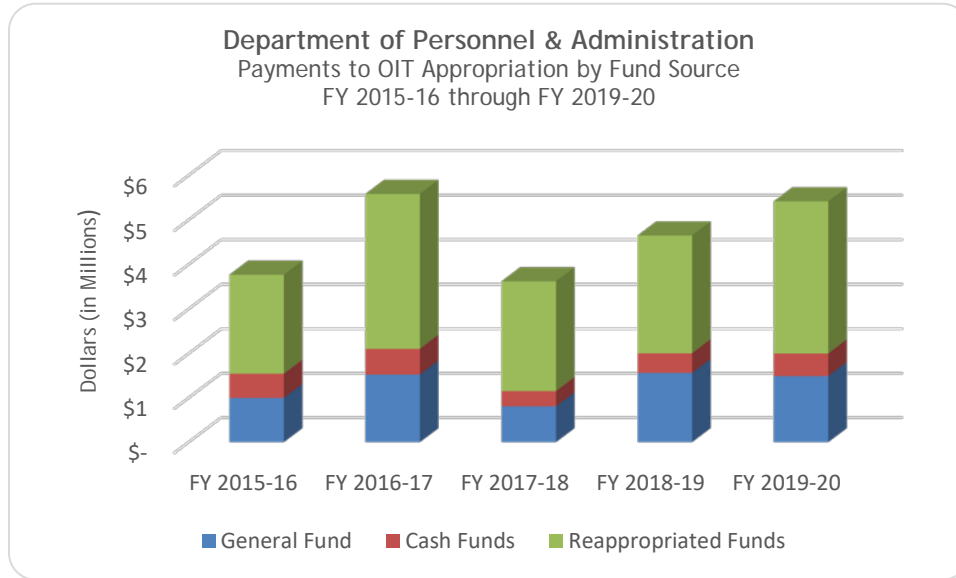
**Comments:** While generally performing better than the market, employer contribution costs related to the State’s Health, Life, and Dental benefits have increased over time. Medical insurance industry trends have consistently been increasing between 7.0 percent to 9.0 percent year-over-year for the last several years, the State’s premiums have increased by an average of only 4.9 percent per year.

# Operating Common Policy Budget Drivers

The Department administers, and participates in, all statewide common policies. The statewide operating common policies that impact the Department’s budget to a substantial degree are outlined below.

## Payments to OIT

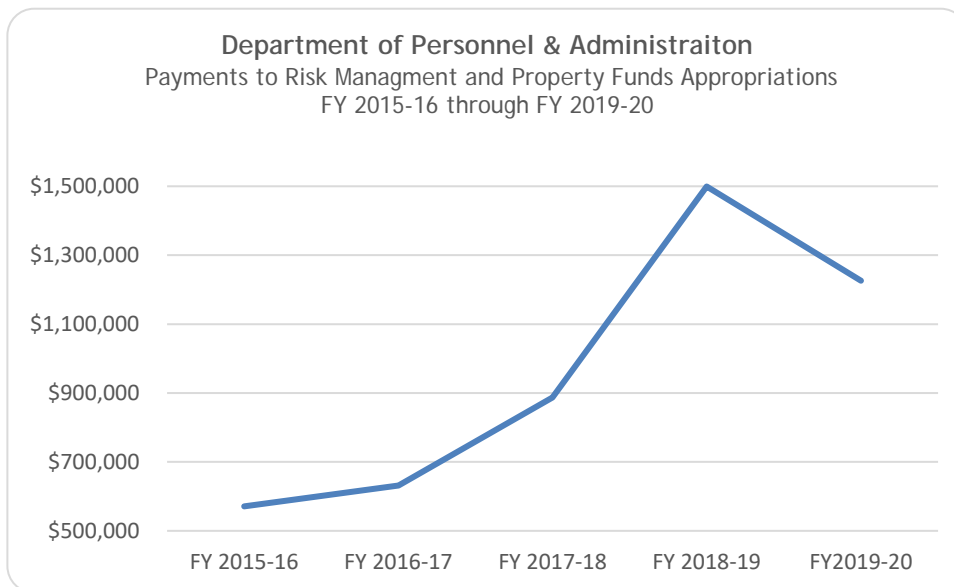
Payments to OIT fluctuate based on the Department’s utilization of the State’s Data Center, high-speed broadband access, overhead related to the State’s public safety communications infrastructure and cyber security awareness, monitoring and defense, and IT projects.



**Comments:** In FY 2016-17 Payments to OIT appropriations included a true-up for FY 2015, which reflects costs associated with the CORE system going live. The Department expects changes in the Payments to OIT appropriations for services provided in relation to major IT projects in the future, including HRWorks.

## Payments to Risk Management and Property Funds

The State’s Risk Management Program provides insurance coverage to departments and state agencies for workers’ compensation, property, and liability insurance. The state is self-insured for workers’ compensation and liability and purchases property insurance from a commercial insurer. As all other State agencies, the Department has appropriations and allocations for risk management coverage which are calculated using actuarially-determined prospective claims losses with the exception to the larger higher education institutions that administer their own risk management programs.



**Comments:** Following the passage of *Senate Bill 17-175*, the Department has the authority to transfer money between self-insurance funds to pay for continuously appropriated premiums. In FY 2018-19, the General Assembly approved FY 2018-19 common policy adjustments to the Property fund to cover the deductible costs associated with freeze, hail, and fire damages to State property. The Department expects the payments to risk management and property funds to increase.



# Scenario Evaluation: Downturn

---

## **Economic Downturn**

The Department receives a majority of its funding through reappropriated funds for the services provided in support of other state agencies, and, therefore, the Department usually experiences secondary impacts during an economic downturn. In the event of an economic downturn, the Department may see changes in processes to provide adequate services to state agencies, in addition to a change in demand for services if customers' budgets are impacted by the downturn. Depending upon the degree of the economic downturn certain programs may be impacted to a larger extent. These impacts are outlined below.

## *Integrated Document Solutions*

Integrated Document Solutions manages mailings for federally supported assistance programs. An economic downturn may result in an increase in enrollment in these Federal programs which may in turn lead to an increase in the volume of mail and print work performed for these programs.

## *State Fleet Management*

State Fleet Management program manages all aspects of vehicles for state agencies. An economic downturn may result in decreasing the number of vehicles being replaced, consistent with best practices. This would impact the residual value the State receives for selling off vehicles at auction and increased maintenance costs.

## *Human Resources*

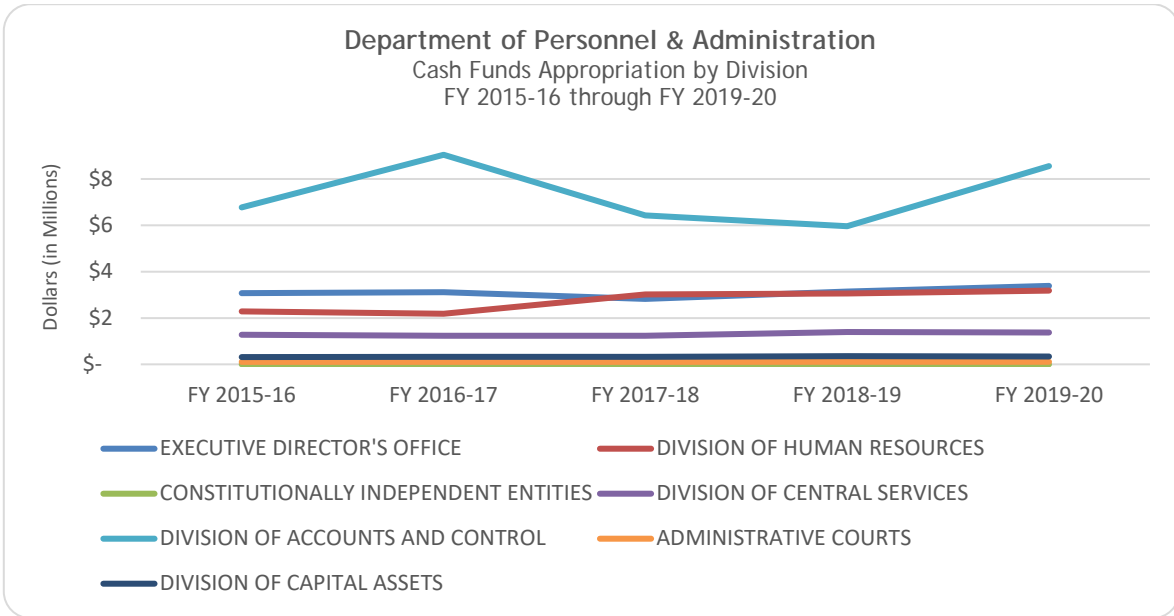
To the degree that an economic downturn triggers unemployment risks and layoffs, the Department would expect to see potential increased payouts for State employees. The Division of Human Resources (DHR), the State Personnel Board (SPB), and the Colorado State Employee Assistance Program (CSEAP) may see increased workloads related to employment issues. In addition, the Center for Organizational Effectiveness (COE) may experience a downward shift in training services demands from state agencies, as agencies may need to redirect training resources to other uses.

## *Facilities Maintenance—Capitol Complex*

To the extent that the economic downturn impacts State agencies that occupy space in the Capitol Complex, the program may see increased vacancies, resulting in a redistribution of costs to the associated cost pool.

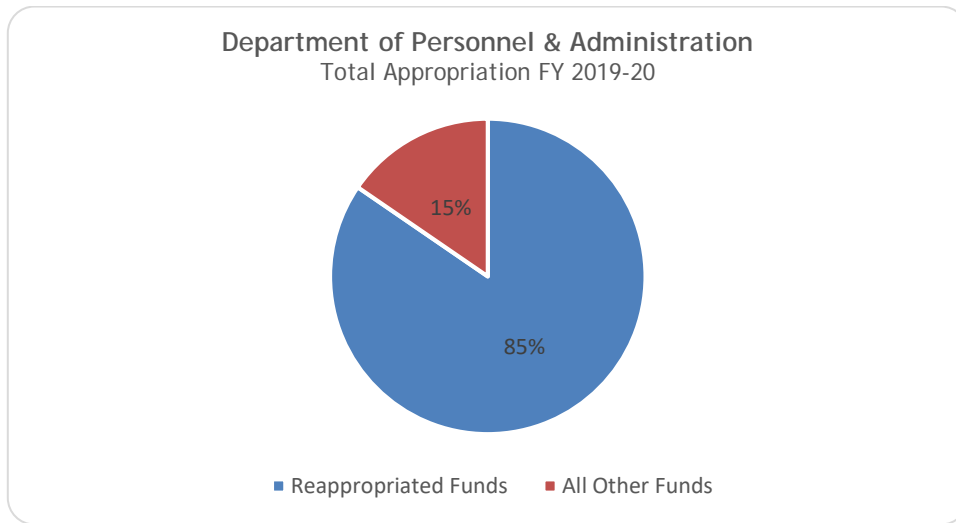
## **Cash Fund Sensitivity**

Cash funds make up about eight percent of the Department's overall budget in FY 2019-20. The Division of Accounts and Control has programs that have the largest source of cash funds appropriations received through revenues from the procurement card program, reimbursements from the National Association of State Procurement Officers Cooperative (NASPO), and Collections Services, with fees from collections, and CORE Operations Statewide Financial Information Technology Systems to assist in paying for CORE and Support Modules. Cash funds spending authority for these programs is limited by the amount of revenue available.



**Anticipated Changes**

Should an economic downturn take place, the Department expects state revenues to decline. As the Department is mainly funded through reappropriated funds from other agencies, the Department anticipates fluctuations in funding which may result in alterations to program specific services provided to State agencies.



# Scenario Evaluation: Department Specific Contingency

---

The Department is a customer service agency. To the extent that small changes occur, the Department will be able to endure these changes with minimal impact. However, if these small changes result in compounding effects over time, this may result in significant impacts to the Department. While all programs may be impacted by specific contingencies such as potential changes in legislation and regulatory policies, there are a few potential future contingencies that may have an impact on the Department's ability to meet performance goals.

## **Division of Central Services**

Within the Division of Central Services, the Integrated Document Solutions (IDS) provides document and data-related support services. IDS mails correspondence on behalf of the largest customer, Colorado Benefits Management System (CBMS), which is the State's system used to determine public benefits eligibility. As the Federal government dictates the frequency and types of correspondence required, major changes to the mailing requirements will impact print volumes and require IDS to adapt.

## **Document Solutions Group**

The Document Solutions Group (DSG) within Integrated Document Solutions is impacted by Federal and State tax law changes. The degree of impact to the program will be based on the scope and degree of tax law change. For instance, *Senate Bill 19-006* requires the Office Information Technology and the Department of Revenue to review procurement and development of an electronic sales and use tax simplification system. When implemented, the increased usage of an electronic system will directly impact the volumes of images scanned by the DSG.

## **State Fleet Management**

Within the Division of Capital Assets, State Fleet Management (SFM) is designed to manage all aspects of a vehicle's life from the time of acquisition through disposal. The program facilitates all maintenance, repairs, fuel expense, and accident repairs and maintains a robust database with detailed history for each vehicle. Pursuant to C.R.S. Section 24-30-1104.2, SFM is required to evaluate and procure alternative fuel vehicle (AFV) options that are within 10.0 percent of the standard petroleum vehicle's lifetime cost and to purchase fuel efficient vehicles. Any alteration in the requirements for vehicle purchasing options will involve the program reassessing methods for replacement of vehicles, which may result in not replacing vehicles in a timely manner, which in turn increases vehicle maintenance costs and decreases the residual value during vehicle disposal sales.

## **Division of Human Resources**

Currently, the State offers its employees pay, benefits and leave, as required by Federal and State law, which are generally consistent with prevailing practices. Any changes in requirements for state employee wage compensation, benefits, or leave offerings, dependent upon the scope and degree of the change, may impact the Department.

## **Facilities Maintenance—Capitol Complex**

Capitol Complex allocates costs based on the square footage of space occupied by each agency. Increased vacancy rates within Capitol Complex may result in an increased rate per square foot, or direct allocation to the General Fund.

# Emerging Trends

---

## Economic & Private Industry Trends

There are market conditions outside of the Department's control that may impact the Department's revenues and expenditures, as the Department experiences pressure, and in certain cases, is required to remain competitive with private markets for several services provided.

### **Costs of Goods/Products**

The costs associated with goods and products fluctuate based on supply and demand within the marketplace. Several uncontrolled markets drive items that are essential to the operation of the Department. The cost of fuel is necessary for the operation of motor vehicles; utility costs (gas, electric, etc.) drive expenses for the buildings within Capitol Complex; and paper and postage markets impact IDS rates through the supply chain.

### **Construction Trends**

The Office of the State Architect is statutorily responsible for the administration of state funded planning, construction, energy conservation and real estate transactions at state agencies and institutions of higher education. The program is responsible for the Statewide Planning Program which assists in developing a master plan for each state agency which is crucial to the long-range planning of their facility needs. The Department completed the Capitol Complex Master Plan, which includes the integration of ten buildings and grounds in the Capitol Buildings Group, six additional buildings and sites in the Denver metropolitan area and one building located in Grand Junction. The Facilities Maintenance - Capitol Complex program works in accordance with the Office of the State Architect and the Capitol Complex Master Plan to complete routine and emergency maintenance for all Capitol Complex Buildings. Costs associated with construction are variable with the market. Completion of the plan is expected to require additional resources.

### **Employment Trends**

With unemployment rates at an all-time low, private industry employers are offering more robust total compensation, through diverse benefits, incentives, and investments in employees to attract and retain talent. The State's philosophy is to provide prevailing compensation relative to the market. As private sector compensation grows, additional resources may be required to remain competitive with the market.

#### ***Salary***

As most public sector organizations, the State does not offer short-term incentives or bonuses like that of the public sector as an addition to compensation to employees. To remain competitive with the market, the State uses two primary tools that provides salary adjustments to the State's work force en masse, *across-the board (ATB)* adjustments and *merit* adjustments, both approaches are leveraged in the public and private sectors to address annual salary adjustments. Any changes to the pay structure in the State to further align with the private sector may result in rising personnel expenses across Departments.

#### ***Health Benefits***

The Department administers health insurance plans for the State, as an employer. Regardless of the plan, the State contribution is a function of prevailing market practices with premiums shared by the employer and employee. The employee and employer contributions are collected and managed in the Group Benefits Plan Reserve Fund. The Fund is used to pay all costs associated with the insurance plans. Premium costs are actuarially based and adjusted accordingly on an annual basis. While the Department is attempting to keep pace with strategic shifts in health insurance in the private market through increased preventative care options, should there be significant changes to health insurance premiums, the Department may need resources to cover the costs of the additional employer contribution.

### ***Training***

Private sector employers that offer training and development create a competitive advantage over other companies, resulting in increased employee loyalty, decreased turnover rates, and better abilities to adapt to changing market conditions. The Department may need to alter training and development practices for State employees to more adequately align with private industry best practices.

### ***Retirement***

As Americans are working longer and retiring later in life, private industry employers allow for the ability for employees to contribute to Social Security, and offer additional retirement plans. The State provides retirement benefits for employees' through the Colorado Public Employees Retirement Association (PERA), with neither the State or employees contributing to Social Security. The State has made significant investments into PERA for State employees. Demographics and costs for retirement may alter associated adjustments to PERA in future years.

### ***Miscellaneous Benefits***

Private sector employers offer non-traditional benefits, such as alternative work schedules, incentives for employee wellness, and discounts on products, among others. Should the State move to additional miscellaneous benefits for employees, additional resources may be necessary.

# Caseload & Workload Trends

All programs within the Department, regardless of size or customer base, are impacted by workload or caseload fluctuations. Based on level of workload or caseload within each Division in the Department, the modification of cost-pool mechanisms, common policy allocations, and the restructure and refinancing of programs to drive the best value and optimal service to customers may be required. Current funding levels may not be adequate to meet future needs for caseload and workload demands within the Department.

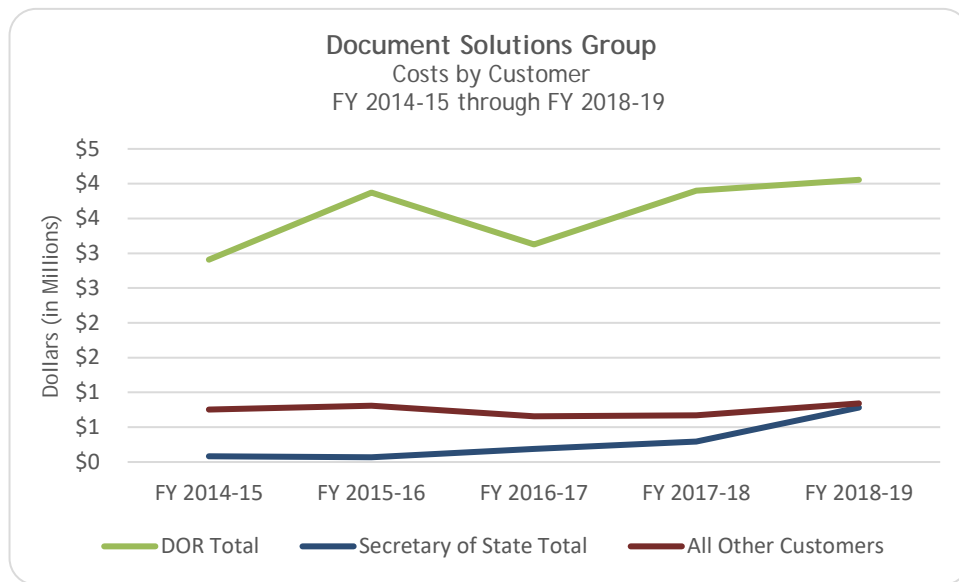
Many of the programs within the Department are able to offer their customers value by providing services that may be available in the private sector at a lower cost. For these programs, larger caseloads or volumes will result in greater savings to the Department’s customer agencies.

## ***Integrated Document Solutions***

Integrated Document Solutions (IDS) provides end-to-end document management, support, and services in the areas of graphic design, print services (digital and press), imaging services (scanning and microfilm), data entry, copiers, mail processing and delivery, and secure warehousing and fulfillment serving all government entities across Colorado. IDS is statutorily charged to cover only its expenses, including overhead costs, when billing state agencies. As utilization of IDS services increase, rates for state agencies may decrease as overhead costs are spread across larger volumes.

## ***Document Solutions Group (DSG)***

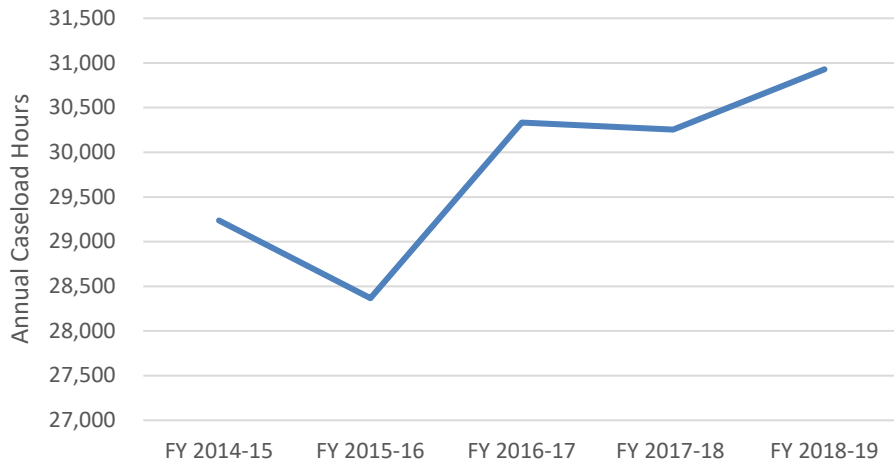
A subdivision of IDS, located in Pueblo, Colorado, the Document Solution Group (DSG) uses a primary cost pool for operations that consists of work related to the Department of Revenue Tax pipeline and signature verification for the Secretary of State. While the workload for the Tax Pipeline is generally predictable, the estimated need of the Secretary of State’s office is not consistent. Prior to the implementation of a common policy in FY 2019-20, when an unexpected change occurred to either Department’s workloads, the other programs in the DSG cost pool were tapped to cover program costs. To address this unpredictability, the historic use by each agency is averaged over a four-year period to account for a full presidential election cycle, which allows the two departments to request funding with increased predictability.



## ***Office of Administrative Court***

The Office of Administrative Courts (OAC) Division is Colorado’s centralized administrative court system that provides a central panel of administrative law judges (“ALJs”) to decide workers’ compensation, human services, licensing, and a variety of other cases. These caseloads vary each year, but more recently there has been a steady increase in ALJ caseload hours.

Administrative Law Judge Caseload Hours  
FY 2014-15 through FY 2018-19



# Technology Trends

Information technology trends have been developed in conjunction with the Office of Information Technology and are based on the evolution of data systems and the migration to digital sources.

## *Office of Information Technology (OIT)*

The Governor's Office of Information Technology (OIT) developed a five-year roadmap, which is a statewide strategic plan that aims to align technology evolution with business requirements and program needs.

*Senate Bill 19-251* was borne from the recommendations of a previous audit and requires the OIT to include project management plans for every major IT project (by July 1, 2020), convene a working group to create strategic plans for state agencies' use of technology services provided (by January 1, 2021) and determine the cost and feasibility of transferring ownership of assets to OIT (by December 1, 2019). Pending the outcome of the working group, the Department may require additional funds to adopt recommendations.

## *Data Systems & Digital Sources*

With increased reliance on data systems, the Department will seek to adequately utilize data integration for the State's benefit. The Department expects to complete routine system updates and software upgrades for existing systems and software periodically. Additional investment into software and system upgrades beyond routine maintenance may be required due to changing regulations, statutes, or unforeseen hardware and software issues. All Divisions will be impacted by software and system upgrades, with varying degrees of costs and impact depending upon the type of system and software.

The *Division of Accounts and Control* adheres to the Governmental Accounting Standards Board (GASB) and Internal Revenue Service (IRS) regulations, which provide standards and guidance related to financial reporting, impacting the State's financial reporting requirements. Significant changes to existing standards may require the Department to invest in software that is consistent with industry best practices to deliver the required reporting.

The *Colorado Operations Resource Engine (CORE)* is approaching its seventh year of operation as the statewide financial, procurement, and budget system. The Department anticipates future opportunities to invest in maintaining financial management industry best practices with future upgrades to CORE.

The Department has identified legislation from the 2019 legislative session that may require the Department to invest in additional software.

- *Senate Bill 19-196* requires the Department to invest in software by FY 2020-21 to monitor the prevailing wage for public projects for the State.
- *Senate Bill 19-135* requires a Disparity Study be completed by December 1, 2020, providing recommendations to the Department.

State Fleet Management is in the process for the procurement of a commercial-off-the-shelf system that will be used to track all state fleet vehicles through their entire life cycle from acquisition to disposal. The system has the ability to incorporate enhanced tracking and reporting capabilities.

*HRWorks* is a major IT project that is intended to replace a multitude of existing statewide time, leave, payroll, benefits administration and human capital management systems. The development and phased-in implementation of the *HRWorks* system may require future resources.

With the increased use of data integration and a move toward digitization of documents and records, the Department expects *Colorado State Archives* to require an increase in data storage capacity and capabilities. Further, as the *Integrated Document Solutions* group provides printing services for the State of Colorado, the Department expects volumes of print to decline with increased digitization, this will require the program to adapt to the trends of migration to digital documents.



While additional technological features enhance the ability for the Department to meet objectives, additional investments in cyber security and HIPAA compliance infrastructure may be necessary.

**Colorado Electric Vehicle Plan**

Executive Order B 2019-002 and the Colorado Energy Office provide direction on the widespread use of electrification of cars. The Department has two programs that are helping support this initiative. First, the Capitol Complex Facilities Management program manages several parking areas within the Capitol Complex and is prepared to adapt to emerging utilization of electric vehicles with charging stations. In addition, State Fleet Management is statutorily responsible for acquisition of vehicles that align with the plan, and identifies alternative fuel vehicles where appropriate in the normal fleet vehicle replacement cycle.

# Anticipated Funding Decreases

The Department does not receive appropriated Federal Funds, but provides support to customer agencies that leverage federal sources to pay for the Department’s services. Decreases in the Federal budget will result in secondary impacts to the Department.

Although the Department is not appropriated Federal Funds, the Department has secured federal grants intended to augment existing programs within the Department. In all cases, grant funds cannot be used for normal operating expenses, and instead are used for entirely new services or offerings from the programs. Federal Funds only represented 0.2 percent of the Department’s operating budget in FY 2018-19, and came from three grants, received across only three programs (Colorado State Archives, Address Confidentiality Program, and State Fleet Management) within the Department.

Most of the Department’s grants are not awarded on a state fiscal year cycle. The funding for three federal grants overlapped with the FY 2019-20 budget cycle, and are outlined below.

“Crime and Victim Services” / VOCA GRANT	
Grant Source	Colorado Department of Public Safety, through the U.S. Department of Justice
Grant Awarded	Calendar Years 2019/2020
Grant Amount	\$493,880 Federal Funds. Match requirement of \$123,470 (20%)
Onetime/ongoing	Similar awards will likely be requested every two years, ongoing.
Potential Decrease Impact	The Division of Criminal Justice anticipates a potential decrease in VOCA grant funds expected to be appropriated in FFY 2018-19 and 2019-20. This potential decrease would have no effect on the current CY 2019/2020 award, but could affect a CY 2021/2022 award.

The “Crime and Victim Services” grant is utilized by *the Address Confidentiality Program* which provides survivors of domestic violence, sexual offenses, and/or stalking with a legal substitute address for interacting with all state and local government agencies. The program also provides a confidential mail forwarding service. The intent is to protect the location of a survivor’s physical address and reduce the risk of future harm. All State and local government agencies must accept the substitute address as the participant’s legal address of record. Some uses for the substitute address include driver’s licenses, human services benefits, police reports, and utility accounts.

“State Board Programming Grant” /CHRAP GRANT	
Grant Source	National Historical Records Publication and Records Commission
Grant Awarded	State Fiscal Year 2019-20
Grant Amount	\$40,000 Federal Funds. Match Requirement - \$13,333 (25%)
Onetime/ongoing	Similar awards will likely be requested annually, ongoing.
Potential Decrease Impact	A potential decrease would have no effect on the current FY 2019/2020 award, but could affect a FY 2021/2022 award

The “State Board Programming Grant” is utilized by the *Colorado State Archives* which serves all three branches of State government, special districts, municipalities, counties, schools, and the general public, plans, manages, operates, and implements the State’s archival and records management program to protect, preserve, and maintain historic and legally significant documents.

## “Charge Ahead Colorado” /RAQC GRANT

Grant Source	Clean Air Fleet, Regional Air Quality Control Commission - RAQC, through federal funding from the Congestion Mitigation/Air Quality program
Grant Awarded	Calendar Years 2018/2019
Grant Amount	\$165,200 (classified as Cash Funds because the grant is awarded by a non-state entity, however, the funds originate as Federal Funds.) Match Requirement - \$41,300 (20%)
Onetime/ongoing	Similar awards will likely be requested annually, ongoing.
Potential Decrease Impact	A potential decrease would have no effect on the current CY 2019/2020 award, but could affect a CY 2021/2022 award.

The "Charge Ahead Colorado" grant is utilized by the *State Fleet Management Program* which provides oversight for all vehicles in the State fleet program, including administration of the fleet, vehicle purchasing, repairs and preventive services, collision management, vehicle reassignment, auction and salvage of older vehicles, operation of the State Motor Pool for daily rentals, and oversight of the State fleet alternative fuels and energy sustainability programs in support of government greening initiatives.

# Appendix A

FY 2019 20 Capitol Complex Locations & Tenants			
Campus	Building	Tenant	Square Feet
<b>Denver</b>	Capitol Building	General Assembly	90,744
		Governor, Lt. Governor & OSPB	18,380
		Personnel & Administration	849
		Public Safety	536
		Treasurer	3,351
	Legislative Services Building	General Assembly	22,437
		Personnel & Administration	5,736
	1570 Grant Street	Health Care Policy & Financing	33,264
	Centennial Building	Local Affairs	38,107
		Natural Resources	79,277
		Personnel & Administration	36,856
	State Services Building	General Assembly	29,559
		Governor, Lt. Governor & OSPB	690
		OIT	2,387
		Personnel & Administration	80,927
	Human Services Building	Human Services	89,429
	Capitol Annex	Governor, Lt. Governor & OSPB	710
		Revenue	73,685
	State Office Building	Education	42,029
	Power Plant	Personnel & Administration	1,225
Public Safety		2,826	
690 Kipling	OIT	11,466	
	Public Safety	39,632	
700 Kipling	Public Safety	50,332	
<b>Pierce</b>	1881 Pierce Street	Revenue	89,031
<b>North Campus</b>	North Campus Building	Personnel & Administration	82,034
		Revenue	2,119
		Labor & Employment	5,381
<b>Grand Junction Campus</b>		OIT	1,346
		Local Affairs	3,783
		Personnel & Administration	2,853
		Public Health	4,477
		Revenue	5,919
		Transportation	13,917
<b>Camp George West</b>		Labor & Employment	2,850
		Corrections	46,696
		Correctional Industries	18,672
		Military Affairs	55,865
		Public Safety	170,141
	Transportation	13,703	