



STATEWIDE COMMON POLICY REQUEST

NOVEMBER 1, 2015



Table of Contents

Common Policies Overview	1
Total Compensation Common Policies	1
Salary Survey	2
Merit Pay	4
Shift Differential	5
Amortization Equalization Disbursement (AED)	7
Supplemental Amortization Equalization Disbursement (SAED)	8
Short-Term Disability (STD)	10
Health, Life, and Dental (HLD)	11
Operating Common Policies	13
Administrative Law Judge Services	13
Workers' Compensation	16
Payments to Risk Management and Property Funds	21
Capitol Complex Leased Space	29
Colorado Operations and Resource Engine (CORE)	34
Vehicle Lease Payments	38
Additional Statewide Operating Common Policies	39
Legal Services	39
Leased Space	40

COMMON POLICIES OVERVIEW

Common policies represent a standard method of determining the budget need, by department, for services that are centrally provided by the Department of Personnel & Administration, Department of Law, and the Governor's Office of Information Technology. Funding requests for these services are developed using a common methodology for each department. This ensures that the same assumptions are used while developing budget requests for specific line item appropriations within individual departments.

This packet discusses common policies separated into three general categories: 1) total compensation (or personal services) common policies, 2) operating common policies, 3) legal services.

For FY 2016-17, the Executive Branch has prepared this document to summarize the statewide common policy request, calculation methodology, and to provide a clear set of common policy descriptions to use throughout the budget process.

Note: The information contained in this document pertains primarily to the Executive Branch agencies under the purview of the Governor's Office. To the extent that non-executive agencies, including elected officials, are willing to provide corresponding information, it has been presented in this document for review. The majority of the information presented for these agencies contains only estimates of future need.

TOTAL COMPENSATION COMMON POLICIES

Total compensation refers to employee salary and benefit costs, specific to the employees in each department. Total compensation common policies are funded through a group of centrally appropriated line items, generally found in a department's Executive Director's Office. Appropriations from these line items are distributed among a department's divisions based on the need in each division. The annual budget request for total compensation is primarily driven by employee salaries, benefit elections, and requested policy changes. The centrally appropriated line items that make up the total compensation common policies include: Salary Survey, Merit Pay, Shift Differential, Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, Short-term Disability and Health, Life, and Dental.

Calculation Detail

The request amounts for total compensation common policies are calculated each year using a snapshot of July's payroll. The July payroll is used since it reflects all total compensation changes that coincide with the beginning of the fiscal year. For instance, the Salary Survey adjustment that was approved in the Long Bill for FY 2015-16 is applied to employee salaries during the July pay period.

Each department receives snapshot data including salary and benefit data for each employee that received a paycheck in July. Next, agencies are allowed to request revisions to the snapshot data to account for positions that are added through decision items and special bills that are not yet filled, positions that are seasonal, positions that are being eliminated, and positions that are not

appropriated. This process helps to determine an accurate position count and associated salary cost for each position. The final adjusted data is used to determine the base, or continuation, salary amount for each department for the request year.

Once the data revision process is complete, agencies are asked to provide fund source information for each employee. Employee salaries are paid through a combination of General Fund, Cash Funds, Reappropriated Funds, and Federal Funds. Once the fund source data is finalized, the Department of Personnel & Administration aggregates the data to determine the total need for the request year by fund source for each total compensation common policy line item, in each department.

LINE ITEM DETAIL

The following sections provide a detailed explanation for each total compensation common policy line item, and the corresponding request for FY 2016-17, by department.

SALARY SURVEY

The Salary Survey request represents adjustments to employee base salaries for a few reasons: system maintenance studies, occupational group adjustments, a Salary Survey pay-rate adjustment and finally an adjustment to move an employee’s salary to the range minimum if it falls below the requested range minimum for his or her job classification.

System maintenance studies represent a detailed comparison of state salaries to market salaries for a specific role. These studies generally result in new job classifications or new pay ranges. For FY 2016-17, comparisons of the Custodian and the Police Officer classes find the State’s actual salaries to be outside a competitive position in relationship to the market, or in other words, behind the market by an overall percentage greater than 7.5% for two years. The tables below represent the requested range adjustments to bring the Custodian and Police Officer salary ranges into a competitive position. To the extent that these adjustments move an employee’s salary below the range minimum, the associated funding has been requested.

Proposed Ranges for Custodian Classes

Class Code	Class Title	OCC Group	Pay Grade	Range Minimum	Range Midpoint	Range Maximum
D8B1	CUSTODIAN I	D	D04	\$2,180	\$2,640	\$3,101
D8B2	CUSTODIAN II	D	D05	\$2,344	\$2,839	\$3,333
D8B3	CUSTODIAN III	D	D11	\$3,365	\$4,075	\$4,785
D8B4	CUSTODIAN IV	D	D13	\$3,889	\$4,709	\$5,529

Proposed Ranges for Police Officer Classes

Class Code	Class Title	OCC Group	Pay Grade	Range Minimum	Range Midpoint	Range Maximum
A4B2	POLICE OFFICER I	A	D04	\$4,270	\$5,308	\$6,346
A4B3	POLICE OFFICER II	A	D05	\$4,810	\$5,980	\$7,150
A4B4	POLICE OFFICER III	A	D11	\$5,721	\$7,112	\$8,503
A4B1	POLICE OFFICER INTERN	A	D13	\$3,871	\$4,816	\$5,760

Pursuant to statute, a process similar to the system maintenance study comparisons is completed annually for the State Patrol Trooper Classes. The methodology used to determine and maintain prevailing compensation for law enforcement officers employed by the Colorado State Patrol is provided by C.R.S. 24-50-104. Based on the statutory requirements, the following ranges are requested for State Patrol Trooper Classes. In addition to the range adjustments, a seven percent pay-rate increase has been requested for trooper classes.

Proposed Ranges for State Patrol Trooper Classes

Class Code	Class Title	OCC Group	Pay Grade	Proposed Range Minimum	Proposed Range Midpoint	Proposed Range Maximum
A4A1	STATE PATROL CADET	S	S01	\$4,961	\$5,334	\$5,706
A4A3	STATE PATROL TROOPER	S	S02	\$5,690	\$6,950	\$8,210
A4A4	STATE PATROL TROOPER III	S	S03	\$6,385	\$7,466	\$8,546
A4A5	STATE PATROL SUPERVISOR	S	S04	\$7,320	\$8,176	\$9,031
A4A6	STATE PATROL ADMIN I	S	S05	\$8,699	\$9,442	\$10,186
A4A7	STATE PATROL ADMIN II	S	S06	\$10,127	\$10,887	\$11,646

For FY 2016-17, the request includes a salary range adjustment of two percent for all occupational groups. Given the State's total compensation is prevailing and in order to maintain the State's current total compensation structure, this adjustment will allow the State to keep pace with projected market increases. With the exception of the requested system maintenance study range adjustments, a two percent range adjustment has been requested for all occupational groups. Both the minimum and the maximum of the salary range will be increased by two percent. To the extent that these adjustments move an employee's salary below the range minimum, the associated funding has also been requested.

Another component of the Annual Compensation report is a recommendation for a Salary Survey pay-rate adjustment. This is generally requested as a standard percent, or across-the board increase, for all state employees. Base (ongoing) or non-base (one-time) adjustments are awarded when funding is provided for this purpose. **For FY 2016-17, the Executive Branch has not requested funding for a statewide pay-rate adjustment.**

The following table reflects the Salary Survey request by department for FY 2016-17. This shows the fiscal impact of the movement to minimum costs associated with the requested system

maintenance study and occupational group adjustments. For the Department of Public Safety, a seven percent increase has been applied to trooper classes.

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SALARY SURVEY							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$176,518	\$7,298	\$7,298	\$3,803	\$3,262	\$0	\$233
Corrections	\$2,016,911	\$583,577	\$583,577	\$580,443	\$3,134	\$0	\$0
Education	\$468,386	\$6,591	\$6,591	\$6,591	\$0	\$0	\$0
Governor's Office	\$884,090	\$24,320	\$24,320	\$0	\$0	\$24,320	\$0
HCPF	\$321,383	\$56,903	\$56,903	\$19,245	\$6,898	\$898	\$29,862
Higher Education	\$133,092	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$2,443,776	\$897,944	\$897,944	\$640,505	\$30,756	\$155,379	\$71,304
Judicial *	\$9,450,727	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$732,533	\$150,603	\$150,603	\$6,210	\$51,807	\$0	\$92,586
Law *	\$1,084,968	\$8,276	\$8,276	\$1,861	\$857	\$5,558	\$0
Legislature *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$125,247	\$9,579	\$9,579	\$1,261	\$4,909	\$1,266	\$2,143
Military Affairs	\$96,157	\$47,045	\$47,045	\$21,793	\$1,191	\$0	\$24,061
Natural Resources	\$1,153,648	\$50,669	\$50,669	\$10,716	\$33,877	\$6,076	\$0
Personnel & Administration	\$240,120	\$81,876	\$81,876	\$35,647	\$1,045	\$45,184	\$0
Public Health	\$805,351	\$97,284	\$97,284	\$10,776	\$59,038	\$1,645	\$25,825
Public Safety	\$2,666,488	\$5,058,382	\$5,058,382	\$279,759	\$4,436,119	\$211,125	\$131,379
Regulatory Agencies	\$414,720	\$53,521	\$53,521	\$0	\$51,472	\$0	\$2,049
Revenue	\$1,013,694	\$326,822	\$326,822	\$105,296	\$219,611	\$1,915	\$0
State *	\$95,089	\$1,071	\$1,071	\$0	\$1,071	\$0	\$0
Transportation	\$278,911	\$937	\$937	\$0	\$790	\$147	\$0
Treasury *	\$21,842	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$24,623,651	\$7,462,698	\$7,462,698	\$1,723,906	\$4,905,837	\$453,513	\$379,442

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

MERIT PAY

The Total Compensation Report includes recommendations for Merit Pay for the State Classified System as required under Section 24-50-104 (1) (c), C.R.S. The Merit Pay appropriation provides funding for increases in pay (both base-building and one-time in nature) depending on a State employee's individual performance and placement within his or her pay range. **For FY 2016-17, the Executive Branch has not requested funding for a statewide Merit Pay adjustment.**

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR MERIT PAY							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$172,276	\$0	\$0	\$0	\$0	\$0	\$0
Corrections	\$3,485,908	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$428,311	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Office	\$821,199	\$0	\$0	\$0	\$0	\$0	\$0
HCPF	\$317,662	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$123,247	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$2,380,606	\$0	\$0	\$0	\$0	\$0	\$0
Judicial *	\$3,162,600	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$675,582	\$0	\$0	\$0	\$0	\$0	\$0
Law *	\$410,090	\$0	\$0	\$0	\$0	\$0	\$0
Legislature *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$118,923	\$0	\$0	\$0	\$0	\$0	\$0
Military Affairs	\$94,496	\$0	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$945,138	\$0	\$0	\$0	\$0	\$0	\$0
Personnel & Administration	\$224,307	\$0	\$0	\$0	\$0	\$0	\$0
Public Health	\$585,020	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety	\$1,394,574	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Agencies	\$363,212	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$726,034	\$0	\$0	\$0	\$0	\$0	\$0
State *	\$100,385	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$99,689	\$0	\$0	\$0	\$0	\$0	\$0
Treasury *	\$28,354	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$16,657,613	\$0	\$0	\$0	\$0	\$0	\$0

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

SHIFT DIFFERENTIAL

The Shift Differential line item funds compensation adjustments for employees who work outside of normal work hours. These are second and third shift workers whose scheduled work hours fall outside of the Monday through Friday, 8:00 am to 5:00 pm work schedule. Offering Shift Differential is a standard practice in the private sector.

In recent years, the Executive Branch followed a policy of requesting Shift Differential at 100 percent of actual expenditures in the most recent fiscal year. This allows agencies to maintain operations at the current level. The FY 2016-17 request continues the policy of funding 100 percent of prior year actual expenditures. The following table reflects the Shift Differential request by department for FY 2016-17.

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHIFT DIFFERENTIAL							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corrections	\$7,687,883	\$7,940,718	\$252,835	\$257,436	(\$4,601)	\$0	\$0
Education	\$110,479	\$110,489	\$10	\$10	\$0	\$0	\$0
Governor's Office	\$74,362	\$94,672	\$20,310	\$0	\$0	\$20,310	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$5,371,896	\$5,860,569	\$488,673	\$343,572	\$7,029	\$138,072	\$0
Judicial *	\$0	\$1,216,778	\$1,216,778	\$1,216,778	\$0	\$0	\$0
Labor and Employment	\$13,497	\$14,797	\$1,300	\$0	\$0	\$0	\$1,300
Law *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legislature *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Military Affairs	\$23,285	\$23,665	\$380	\$0	\$0	\$0	\$380
Natural Resources	\$42,291	\$41,899	(\$392)	\$0	(\$392)	\$0	\$0
Personnel & Administration	\$45,747	\$45,051	(\$696)	\$0	\$0	(\$696)	\$0
Public Health	\$5,546	\$23,038	\$17,492	(\$410)	\$9,667	\$160	\$8,075
Public Safety	\$522,228	\$537,745	\$15,517	(\$8,677)	(\$3,656)	\$27,850	\$0
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$123,728	\$124,573	\$845	(\$358)	\$1,203	\$0	\$0
State *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$30,582	\$45,157	\$14,575	\$0	\$16,502	(\$1,927)	\$0
Treasury *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$14,051,524	\$16,079,151	\$2,027,627	\$1,808,351	\$25,752	\$183,769	\$9,755

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Calculation Detail – Revised Base Salary

In a year which salary increases are funded, the Salary Survey and Merit Pay adjustments are determined at the individual employee level then aggregated to the department level. The adjustment for Shift Differential is added next in order to calculate the department's revised base salary amount for the request year.

Calculation Detail – Revised Base Salary	
Department Base salary	\$500,000
+ Base Building Salary Survey (\$500,000*0.0%)	\$0
= New Salary	\$500,000
+ Base Building Merit Pay (\$500,000*0.0%)	\$0
= Total Base Salary for FY 2016-17	\$500,000
+ Shift Differential Actual FY 2014-15	\$100,000
= Department Revised Base Salary for FY 2016-17	\$600,000

After the revised base salary is calculated, the Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, and Short-term Disability request amounts are calculated based on a percentage of the FY 2016-17 revised base salary.

AMORTIZATION EQUALIZATION DISBURSEMENT (AED)

Pursuant to S.B. 04-257, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. During the 2005 legislative session, the General Assembly created a separate line item to provide funding each calendar year, until contributions reach the maximum rate of 5.0 percent in calendar year 2017. The table below shows the contribution rates by calendar year for both Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (described in the next section).

Year	State PERA Contribution	AED Contribution	SAED Contribution	Total State Contribution
2014	10.15%	3.80%	3.50%	17.45%
2015	10.15%	4.20%	4.00%	18.35%
2016	10.15%	4.60%	4.50%	19.25%
2017	10.15%	5.00%	5.00%	20.15%

Calculation Detail - AED

The AED amount required for each department is a product of the department's revised base salary and the percent contribution as determined by statute. For budgeting purposes, six months of the yearly contributions percentages are converted to a blended rate for the fiscal year. For FY 2016-17, the blended rate is 4.8 percent of revised base salaries. The AED calculation is described below:

Calculation Detail – AED	
Department Revised Base Salary	\$600,000
AED @ 4.8 %	\$600,000*4.8%
= Requested AED Appropriation	\$28,800

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR AED							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$709,705	\$938,839	\$229,134	\$56,897	\$169,260	\$0	\$2,977
Corrections	\$15,015,963	\$15,955,728	\$939,765	\$920,936	\$18,829	\$0	\$0
Education	\$1,897,700	\$2,711,655	\$813,955	\$245,215	\$180,108	\$5,336	\$383,296
Governor's Office	\$3,547,168	\$4,033,755	\$486,587	\$64,021	\$21,733	\$394,382	\$6,451
HCPF	\$1,314,119	\$1,434,489	\$120,370	\$47,341	\$17,772	\$6,234	\$49,023
Higher Education	\$534,843	\$604,024	\$69,181	\$9,563	\$21,705	\$7,793	\$30,120
Human Services	\$10,208,452	\$10,449,527	\$241,075	\$447,690	(\$16,182)	\$37,309	(\$227,742)
Judicial *	\$11,369,583	\$14,765,277	\$3,395,694	\$3,146,415	\$249,279	\$0	\$0
Labor and Employment	\$2,926,737	\$3,560,693	\$633,956	\$141,426	\$149,470	\$6,437	\$336,623
Law *	\$1,694,290	\$1,898,869	\$204,579	\$42,810	\$41,607	\$121,879	(\$1,717)
Legislature *	\$1,098,032	\$1,192,951	\$94,919	\$94,919	\$0	\$0	\$0
Local Affairs	\$490,915	\$560,808	\$69,893	\$3,981	\$12,867	\$26,231	\$26,814
Military Affairs	\$351,072	\$384,858	\$33,786	\$13,958	\$2,568	\$0	\$17,260
Natural Resources	\$4,674,630	\$5,156,204	\$481,574	\$65,573	\$840,749	\$2,727	(\$427,475)
Personnel & Administration	\$1,054,638	\$1,129,974	\$75,336	\$2,817	\$6,777	\$65,742	\$0
Public Health	\$2,681,965	\$4,560,041	\$1,878,076	\$62,553	\$169,601	\$38,327	\$1,607,595
Public Safety	\$5,193,145	\$5,888,263	\$695,118	\$185,332	\$393,253	\$94,276	\$22,257
Regulatory Agencies	\$1,644,105	\$1,729,990	\$85,885	(\$2,493)	\$97,583	(\$2,741)	(\$6,464)
Revenue	\$3,256,984	\$3,446,100	\$189,116	\$126,602	\$58,320	\$4,194	\$0
State *	\$382,612	\$427,131	\$44,519	\$0	\$44,519	\$0	\$0
Transportation	\$480,384	\$485,797	\$5,413	\$0	\$486	\$4,927	\$0
Treasury *	\$88,094	\$93,898	\$5,804	\$2,582	\$3,222	\$0	\$0
TOTAL	\$70,615,136	\$81,408,871	\$10,793,735	\$5,678,138	\$2,483,526	\$813,053	\$1,819,018

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT (SAED)

Similar to the Amortization Equalization Disbursement line item, the Supplemental Amortization Equalization Disbursement (SAED) line item increases contributions to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund. During the 2006 legislative session the General Assembly passed S.B. 06-235, which added Supplemental AED payments. Pursuant to statute, the funding for SAED comes from moneys which would have otherwise gone to State employees as salary increases.

Calculation Detail - SAED

The SAED amount required for each department is a product of their revised base salary and the percent contribution as determined by statute. For budgeting purposes, six months of the yearly percentages are converted to a blended rate for the fiscal year. For FY 2016-17, the blended percentage contribution is 4.75 percent of revised base salaries. The SAED calculation is described below:

Calculation Detail – SAED	
Revised Base Salary	\$600,000
SAED @ 4.75 %	\$600,000*4.75%
=Requested SAED Appropriation	\$28,500

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SAED							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$685,511	\$929,059	\$243,548	\$62,882	\$176,815	\$0	\$3,851
Corrections	\$14,498,673	\$15,789,522	\$1,290,849	\$1,261,674	\$29,175	\$0	\$0
Education	\$1,833,003	\$2,683,407	\$850,404	\$256,435	\$184,278	\$10,313	\$399,378
Governor's Office	\$3,426,484	\$3,991,737	\$565,253	\$68,933	\$26,354	\$462,355	\$7,611
HCPF	\$1,269,320	\$1,419,546	\$150,226	\$57,689	\$19,996	\$8,321	\$64,220
Higher Education	\$516,610	\$597,732	\$81,122	\$9,463	\$29,699	\$9,817	\$32,143
Human Services	\$9,856,818	\$10,340,677	\$483,859	\$607,915	(\$14,789)	\$82,880	(\$192,147)
Judicial *	\$10,629,675	\$14,611,471	\$3,981,796	\$3,712,277	\$269,519	\$0	\$0
Labor and Employment	\$2,826,962	\$3,523,602	\$696,640	\$140,623	\$177,614	\$6,820	\$371,583
Law *	\$1,636,530	\$1,879,090	\$242,560	\$53,441	\$45,251	\$144,400	(\$532)
Legislature *	\$1,058,218	\$1,180,524	\$122,306	\$122,306	\$0	\$0	\$0
Local Affairs	\$474,179	\$554,966	\$80,787	\$6,306	\$14,503	\$31,168	\$28,810
Military Affairs	\$339,103	\$380,849	\$41,746	\$16,564	\$2,627	\$0	\$22,555
Natural Resources	\$4,515,192	\$5,102,493	\$587,301	\$82,459	\$908,426	\$6,077	(\$409,661)
Personnel & Administration	\$1,018,684	\$1,118,203	\$99,519	\$11,519	\$9,225	\$78,775	\$0
Public Health	\$2,582,084	\$4,512,541	\$1,930,457	\$72,508	\$202,911	\$48,695	\$1,606,343
Public Safety	\$5,016,285	\$5,826,928	\$810,643	\$212,518	\$474,164	\$98,014	\$25,947
Regulatory Agencies	\$1,588,056	\$1,711,969	\$123,913	(\$1,209)	\$131,357	(\$296)	(\$5,939)
Revenue	\$3,145,951	\$3,410,204	\$264,253	\$157,597	\$102,505	\$4,151	\$0
State *	\$369,568	\$422,682	\$53,114	\$0	\$53,114	\$0	\$0
Transportation	\$464,007	\$480,737	\$16,730	\$0	\$11,383	\$5,347	\$0
Treasury *	\$85,092	\$92,920	\$7,828	\$3,856	\$3,972	\$0	\$0
TOTAL	\$67,836,005	\$80,560,859	\$12,724,854	\$6,915,756	\$2,858,099	\$996,837	\$1,954,162

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

SHORT-TERM DISABILITY (STD)

The Short-term Disability appropriation is used to provide partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her work duties. All employees qualify for this employer-paid, payroll-based benefit. This benefit is calculated on an annual basis. For FY 2016-17, the Executive Branch requests short-term disability funding at 0.19 percent of revised base salaries.

Calculation Detail - STD

The amount required for each department is a product of the department's revised base salary and 0.19 percent requested by the Executive Branch as shown in the table below.

Calculation Detail – STD	
Revised Base Salary	\$600,000
+ STD @ 0.19%	\$600,000*.19%
=Requested STD Appropriation	\$1,140

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHORT-TERM DISABILITY							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$35,488	\$29,524	(\$5,964)	(\$3,358)	(\$1,991)	\$0	(\$615)
Corrections	\$733,991	\$617,301	(\$116,690)	(\$112,884)	(\$3,806)	\$0	\$0
Education	\$88,638	\$77,458	(\$11,180)	(\$3,533)	\$514	(\$3,709)	(\$4,452)
Governor's Office	\$176,361	\$158,356	(\$18,005)	(\$312)	(\$1,582)	(\$15,743)	(\$368)
HCPF	\$61,246	\$55,072	(\$6,174)	(\$2,167)	(\$158)	(\$64)	(\$3,785)
Higher Education	\$25,965	\$22,274	(\$3,691)	\$353	(\$3,254)	(\$751)	(\$39)
Human Services	\$494,987	\$400,904	(\$94,083)	(\$48,973)	(\$3,730)	(\$18,159)	(\$23,221)
Judicial *	\$506,474	\$574,943	\$68,469	\$66,494	\$1,975	\$0	\$0
Labor and Employment	\$145,645	\$139,271	(\$6,374)	\$5,242	(\$7,516)	\$52	(\$4,152)
Law *	\$84,714	\$75,164	(\$9,550)	(\$3,178)	(\$147)	(\$5,643)	(\$582)
Legislature *	\$46,645	\$41,462	(\$5,183)	(\$5,183)	\$0	\$0	\$0
Local Affairs	\$24,391	\$21,653	(\$2,738)	(\$953)	(\$338)	(\$1,418)	(\$29)
Military Affairs	\$16,619	\$14,795	(\$1,824)	(\$497)	\$66	\$0	(\$1,393)
Natural Resources	\$208,790	\$179,003	(\$29,787)	(\$5,023)	(\$2,661)	(\$1,312)	(\$20,791)
Personnel & Administration	\$50,200	\$44,651	(\$5,549)	(\$2,915)	(\$558)	(\$2,076)	\$0
Public Health	\$131,259	\$176,757	\$45,498	(\$1,882)	(\$7,728)	(\$2,884)	\$57,992
Public Safety	\$255,758	\$227,203	(\$28,555)	(\$4,322)	(\$24,903)	\$1,538	(\$868)
Regulatory Agencies	\$81,112	\$68,255	(\$12,857)	(\$622)	(\$10,681)	(\$1,106)	(\$448)
Revenue	\$161,525	\$135,605	(\$25,920)	(\$8,941)	(\$17,142)	\$163	\$0
State *	\$19,131	\$16,148	(\$2,983)	\$0	(\$2,983)	\$0	\$0
Transportation	\$23,962	\$19,153	(\$4,809)	\$0	(\$4,800)	(\$9)	\$0
Treasury *	\$4,405	\$3,646	(\$759)	(\$515)	(\$244)	\$0	\$0
TOTAL	\$3,377,306	\$3,098,598	(\$278,708)	(\$133,169)	(\$91,667)	(\$51,121)	(\$2,751)

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

HEALTH, LIFE, AND DENTAL (HLD)

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 of Personnel & Administration contracts with a benefits actuary to provide an estimate of how insurance benefits should be funded in the subsequent budget year. The actuary analyzes the previous fiscal year’s statewide and industry trends in healthcare costs to make a recommendation. This information is not available until December of each year, so the Department will submit a FY 2016-17 budget amendment with revised figures in January 2016. The request amounts shown for HLD should be considered a place holder for the future budget amendment.

The following table shows the placeholder amounts that are included in the November 1 request for FY 2016-17 for Health, Life and Dental.

FY 2016-17 Health and Dental Monthly State Contributions by Tier				
Tier	Tier Description	Health	Dental	Life
1	Employee	\$465.62	\$25.92	\$8.84
2	Employee + Spouse	\$872.60	\$42.62	\$8.84
3	Employee + Child(ren)	\$866.78	\$46.44	\$8.84
4	Family	\$1,230.06	\$62.22	\$8.84

Calculation Detail - HLD

The budget request is based on employee health and dental elections as of July 2015. The example below shows an employee enrolled in Tier One for both health and dental benefits. All employees receive the state paid life insurance benefit. To determine the request amounts, this calculation is completed and annualized for every benefit-eligible employee in each department.

Calculation Detail – HLD	
Tier 1 Health	\$465.62
+ Tier 1 Dental	\$25.92
+ Life	\$8.84
= Monthly State HLD Contribution Request (one employee)	\$500.38

FY 2016-17 DEPARTMENT FUNDING REQUESTS

SUMMARY FOR HEALTH, LIFE AND DENTAL							
Department	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Base Adj.	GF	CF	RF	FF
Agriculture	\$2,178,910	\$2,242,231	\$63,321	\$176,966	(\$48,212)	\$0	(\$65,432)
Corrections	\$51,579,140	\$50,481,586	(\$1,097,554)	(\$1,015,668)	(\$81,885)	\$0	\$0
Education	\$4,740,929	\$4,834,979	\$94,050	\$102,822	\$87,567	(\$78,484)	(\$17,856)
Governor's Office	\$9,160,235	\$9,237,137	\$76,902	(\$7,932)	(\$52,253)	\$118,564	\$18,522
HCPF	\$3,139,489	\$3,434,070	\$294,581	\$93,226	\$59,871	\$16,622	\$124,863
Higher Education	\$1,902,038	\$1,823,867	(\$78,171)	\$5,210	(\$8,040)	(\$103,825)	\$28,485
Human Services	\$34,159,966	\$32,386,404	(\$1,773,562)	\$172,066	(\$159,085)	(\$605,758)	(\$1,180,786)
Judicial *	\$36,163,765	\$38,009,704	\$1,845,939	\$2,061,483	(\$215,544)	\$0	\$0
Labor and Employment	\$8,488,040	\$9,668,761	\$1,180,721	\$290,233	\$198,431	\$15,421	\$676,637
Law *	\$3,555,133	\$3,789,903	\$234,770	(\$5,759)	\$67,436	\$194,601	(\$21,508)
Legislature *	\$2,382,758	\$2,724,691	\$341,933	\$341,933	\$0	\$0	\$0
Local Affairs	\$1,549,935	\$1,429,520	(\$120,415)	(\$58,854)	(\$1,162)	(\$58,672)	(\$1,727)
Military Affairs	\$941,350	\$1,018,364	\$77,014	\$55,017	(\$2,176)	\$0	\$24,173
Natural Resources	\$12,872,236	\$13,095,267	\$223,031	\$1,152,759	\$1,368,893	(\$1,110,466)	(\$1,188,156)
Personnel & Administration	\$3,080,546	\$3,107,311	\$26,765	\$32,802	(\$51,784)	\$45,748	\$0
Public Health	\$6,981,851	\$10,623,757	\$3,641,906	\$92,478	\$275,279	(\$62,350)	\$3,336,499
Public Safety	\$14,495,047	\$14,522,200	\$27,153	\$381,030	(\$532,476)	\$157,085	\$21,514
Regulatory Agencies	\$4,235,452	\$4,186,649	(\$48,803)	(\$2,688)	(\$35,538)	(\$3,959)	(\$6,618)
Revenue	\$11,429,894	\$10,597,159	(\$832,735)	(\$200,852)	(\$648,976)	\$17,093	\$0
State *	\$1,047,002	\$1,030,748	(\$16,254)	\$0	(\$16,254)	\$0	\$0
Transportation	\$1,173,682	\$1,207,811	\$34,129	\$0	\$3,234	\$30,894	\$0
Treasury *	\$250,896	\$256,548	\$5,652	\$17,212	(\$11,560)	\$0	\$0
TOTAL	\$215,508,294	\$219,708,670	\$4,200,376	\$3,683,484	\$195,769	(\$1,427,486)	\$1,748,610

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

OPERATING COMMON POLICIES

Operating common policies refer to an array of statewide services provided by the Department of Personnel & Administration (DPA). Services include: Administrative Law Judge Services, Workers' Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space, and CORE Operations. Departments request appropriations to pay DPA for services through these five operating common policy line items, often centrally appropriated in the Executive Director's Office. DPA's appropriation reflects corresponding Reappropriated Funds spending authority in order to receive and spend the moneys received from billing for services.

The requested amounts for operating common policies are calculated by the Department of Personnel & Administration, based on the total estimated program need for FY 2016-17. The requested amounts for the following operating common policy line items appear in departments' individual budget submissions.

ADMINISTRATIVE LAW JUDGE SERVICES

The Colorado Office of Administrative Courts (OAC) was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The Office is one of 24 central panels of independent Administrative Law Judges (ALJ) in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities out of its three offices (Denver, Colorado Springs and Grand Junction).

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

FY 2016-17 ESTIMATED COSTS

For FY 2016-17, the Administrative Law Judge Services request includes a base adjustment to the ALJ line item for each department based on updated program expenditures anticipated for FY 2016-17. While there are no policy changes contained in the base request, DPA has submitted a separate decision item for Resources for Administrative Courts (DPA request priority R-01). The R-01 Resources for Administrative Courts Request includes \$311,804 reappropriated funds for 4.5 FTE as well as the increased cost for additional leased space in Colorado Springs. The purpose of the request is to fund the need for additional Administrative Law Judges as well as Technicians in the Colorado Springs and Grand Junction regional offices in order to better service Colorado citizens all over the State. The impact of the decision item is not included in the request information below.

The descriptions and table below provide the amount and rationale behind each of the request components and outline any departure from the previously requested amounts or methodologies. The Department submits an adjustment for this common policy annually, based on actual use of ALJ services in the most recent fiscal year.

FY 2016-17 Administrative Law Judge Request		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Personal Services	\$3,471,882	\$3,525,184
Total Compensation Common Policies	644,985	611,158
Operating and OIT Common Policies	572,018	791,381
Operating Expenses	143,260	143,260
Indirect Costs	138,384	71,305
Fund Balance Adjustment	321,037	(189,590)
Total	\$5,291,566	\$4,952,698

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay.
- **Total Compensation Common Policies:** This includes funding for the ALJ program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey and Merit Pay.
- **Operating and OIT Common Policies:** This includes the program's need for the following centrally appropriated line items: Workers' Compensation, Legal Services, Payment to Risk Management and Property Funds, Leased Space, Capitol Complex Leased Space, Payments to OIT, and CORE Operations.
- **Operating Expenses:** A continuation level of funding has been requested for operating expenses.
- **Indirect Costs:** This represents the program's share of indirect costs for FY 2016-17.
- **Fund Balance Adjustment:** The fund balance adjustment is the mechanism which the Department adjusts rates up or down to utilize any over/under collection from the previous fiscal year. For the ALJ fund balance adjustment, 8.25 percent of base expenditures is requested as a reserve. The table below shows the calculation of the fund balance adjustment:

FY 2016-17 Administrative Law Judge Fund Balance Projection	
Description	Amount
Final Fund Balance - FY15	\$177,082
Projected FY16 Revenue	\$5,291,566
Projected FY16 Expense	\$4,970,529
<i>Final Fund Balance - FY16 Projected</i>	\$498,119
FY17 - Personal Services Request	\$3,525,184
FY17 - Operating Request	\$143,260
FY17 - Indirect Costs Request	\$71,305
FY17 - Total Expenditure Base	\$3,739,749
<i>Targeted Fund Balance – 8.25% of Expenditure Base</i>	\$308,529
Addition / (Reduction) Required to Reach Target	(\$189,590)

COST ALLOCATION TO DEPARTMENTS

The Administrative Law Judge Services allocations are based on utilization in the most recent fiscal year. This allocation methodology uses the sum of all personal services and operating expenditures projected for program operation (see FY 2016-17 Administrative Law Judge Request table) and allocates the cost proportionally by department, according to the prior fiscal year's actual ALJ Services usage.

FY 2016-17 Administrative Law Judge Services Allocations for State Agencies				
Department	FY 2014-15 Utilization	FY 2016-17 Request	FY 2015-16 Appropriation	FY 2016-17 Incremental Need
Agriculture	0.05%	\$2,473	\$6,676	(\$4,203)
Education	4.20%	\$207,782	\$177,671	\$30,111
Health Care Policy & Financing	13.07%	\$647,518	\$568,419	\$79,099
Higher Education	0.14%	\$6,725	\$0	\$6,725
Human Services	11.41%	\$565,022	\$615,792	(\$50,770)
Labor & Employment	64.37%	\$3,188,229	\$3,437,605	(\$249,376)
Law	0.03%	\$1,609	\$6,749	(\$5,140)
Personnel	0.24%	\$11,807	\$11,383	\$424
Public Health & Environment	0.19%	\$9,368	\$25,538	(\$16,170)
Regulatory Agencies	3.78%	\$187,336	\$357,148	(\$169,812)
Revenue	0.17%	\$8,470	\$8,063	\$407
Secretary of State	2.30%	\$113,818	\$76,431	\$37,387
Transportation	0.05%	\$2,541	\$91	\$2,450
TOTAL	100%	\$4,952,698	\$5,291,566	(\$338,868)

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for Administrative Law Judge Services						
Department	Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$2,473	(\$4,203)	\$0	(\$4,203)	\$0	\$0
Education	\$207,782	\$30,111	\$0	\$24,914	\$5,197	\$0
Health Care Policy and Financing	\$647,518	\$79,099	\$30,734	\$8,815	\$0	\$39,550
Higher Education	\$6,725	\$6,725	\$0	\$6,725	\$0	\$0
Human Services	\$565,022	(\$50,770)	(\$31,400)	(\$1,424)	\$0	(\$17,946)
Labor And Employment	\$3,188,229	(\$249,376)	\$0	(\$249,376)	\$0	\$0
Law (Attorney General's Office)	\$1,609	(\$5,140)	\$0	(\$5,140)	\$0	\$0
Personnel & Administration	\$11,807	\$424	\$0	\$1,484	(\$1,060)	\$0
Public Health and Environment	\$9,368	(\$16,170)	\$0	\$0	(\$16,170)	\$0
Regulatory Agencies	\$187,336	(\$169,812)	(\$7,680)	(\$162,132)	\$0	\$0
Revenue	\$8,470	\$407	\$0	\$407	\$0	\$0
State *	\$113,818	\$37,387	\$0	\$37,387	\$0	\$0
Transportation	\$2,541	\$2,450	\$0	\$2,450	\$0	\$0
TOTAL	\$4,952,698	(\$338,868)	(\$8,346)	(\$340,093)	(\$12,033)	\$21,604

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

WORKERS' COMPENSATION

This line item provides funding for payments made to the Department of Personnel & Administration (DPA) to support the State's Workers' Compensation program. This is part of the State's self-funded property, liability, and workers' compensation insurance programs managed by DPA's Risk Management Unit.

FY 2016-17 ESTIMATED COSTS

Calculation Methodology

Each year, the Department contracts with an actuary to estimate the overall workers' compensation allocations for each department. First, the actuary estimates the total current liability the State is facing based on a three year analysis of actual losses and/or claims by each department. Next, the actuary estimates the allocation for each department as a percent of the total.

Once the Department obtains the estimates from the actuary, calculations to determine the allocable cost pool begin. The allocable pool is determined by adding estimated overhead costs, program and policy costs, and a fund balance adjustment. Finally, the actuary allocations are applied to the allocable pool.

Overhead Costs

The following table shows the development of the overhead costs for the Risk Management Unit, which includes the workers’ compensation, property, and liability programs. The Department allocates the overhead costs to each program proportionally, based on the total estimated personal services expenditures for each program. The descriptions below provide additional information on the components of the request.

Calculation of Program Overhead for FY 2016-17					
Description	FY 2015-16 Appropriation	FY 2016-17 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	38.8%	14.3%	46.9%
Personal Services	\$839,775	\$847,620	\$288,255	\$106,189	\$453,176
Total Compensation Common Policies	166,320	161,550	62,650	23,079	75,821
Operating and OIT Common Policies	114,211	166,393	64,528	23,771	78,094
Operating Expenses	68,427	68,427	26,536	9,776	32,115
Indirect Costs	<u>163,715</u>	<u>189,850</u>	<u>73,625</u>	<u>27,122</u>	<u>89,103</u>
Total Program Overhead	\$1,352,448	\$1,433,840	\$515,594	\$189,937	\$728,309

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay.
- **Total Compensation Common Policies:** This includes funding for program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey and Merit Pay.
- **Operating and OIT Common Policies:** This includes the program’s need for the following centrally appropriated line items: Workers’ Compensation, Payment to Risk Management and Property Funds, Leased Space, Capitol Complex Leased Space, Payments to OIT, and CORE Operations.
- **Operating Expenses:** The Department requests a continuation level of funding for operating expenses.
- **Indirect Costs:** This represents the program’s share of indirect costs for FY 2016-17.

Program and Policy Costs

The following table details the Workers’ Compensation program and policy costs for FY 2016-17, including the overhead expenses as determined above in the Calculation of Program Overhead for FY 2016-17 table.

Workers’ Compensation Program and Policy Costs		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
(C) Risk Management Services		
Program Overhead Expenses	\$680,689	\$728,309
Actuarial and Broker Services	37,500	37,500
RMIS Service Fees	<u>22,419*</u>	<u>63,683</u>
Total Risk Management Program Administration	\$740,608	\$829,492
(4) Workers’ Compensation		

Workers' Compensation Program and Policy Costs		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
<i>Workers' Compensation Claims</i>	\$37,125,664	\$35,279,285
<i>Workers' Compensation TPA Fees and Loss Control</i>	<u>\$2,450,000</u>	<u>\$2,450,000</u>
TPA Fees	2,400,000	2,400,000
Loss Control Incentives	50,000	50,000
<i>Total Workers' Compensation Excess Policy</i>	<u>\$785,003</u>	<u>\$820,890</u>
Excess Policy	533,003	\$568,890
CDLE Permit	2,000	2,000
CDLE Surcharge	250,000	250,000
<i>Workers' Compensation Legal Services</i>	\$1,985,089	\$2,452,571
Adjustment to Targeted Fund Balance	<u>(\$4,595,666)</u>	<u>(\$3,435,600)</u>
Total Workers' Compensation Allocations	\$38,490,698	\$38,396,637

*This reflects the common policy appropriation which differs from the Long Bill appropriation.

The following text provides a brief description of each component and any considerable changes to the amount or methodology from prior submissions.

- **Total Risk Management Program Administration:** This includes the Workers' Compensation portion of program overhead, Broker Fees incurred by the State for an independent broker to source the various excess policies required by the State, and Risk Management Information System (RMIS) Service Fees represent the costs incurred by the State for the risk management information system. For FY 2016-17 the RMIS contract amount was increased due to a contract renewal and bid process. The new contract will provide 250 user licenses, an increase from 150 and allows access to several new modules including a module to track safety activities, anonymous reporting of unsafe conditions and a feed directly from the RMIS to the third party claims administrator for claims processing.
- **Workers' Compensation Claims:** This amount is actuarially determined for each fiscal year according to prior years' loss experiences, including severity and frequency.
- **Workers' Compensation TPA Fees and Loss Control:** This includes third-party administrator (TPA) fees incurred for having a third-party administer workers' compensation claims filed against the State. Loss Control Incentives represents funding to implement and maintain various loss control programs throughout State agencies. Information about these programs can be accessed on DPA's website (<https://www.colorado.gov/pacific/dhr/safety-loss-control>).
- **Workers' Compensation Excess Policy:** The excess workers' compensation policy limits the amount of the State's financial exposure in any one workers' compensation occurrence to \$10 million and provides coverage for the next \$50 million. The Department of Labor & Employment Permit Fee pays an annual self-insured workers' compensation permit, required by CDLE. The CDLE Surcharge is a self-insured employer fee, used to fund the subsequent injury fund. The surcharge is based on payroll and the types of jobs performed by State employees.
- **Workers' Compensation Legal Services:** This cost represents the amount of money the Department anticipates spending to have legal representation for workers' compensation

claims, as well as expenses for expert opinions regarding workers' compensation. For FY 2016-17 this amount is also estimated by DPA's actuary.

- **Adjustment to Targeted Fund Balance:** The following table shows the calculation of the target fund balance adjustment. The Department uses the year end fund balance for the most recent fiscal year, then adds anticipated revenues and subtracts anticipated expenditures for the current fiscal year and request year to calculate the fund balance adjustment. For FY 2016-17, the Department requests a reserve balance of 5 percent of the total projected expenditures from the Workers' Compensation Fund, plus 10 percent of the prospective claims payouts.

Workers' Compensation Fund Balance Adjustment	
FY 2014-15 End-of-Year Fund Balance	\$13,650,805
FY 2015-16 Expenditure Estimate	(\$43,086,364)
FY 2015-16 Agency Billings	\$38,490,699
FY 2015-16 Estimated End-of-Year Fund Balance	\$9,055,140
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2016-17	\$5,619,540
Increase / (Decrease) to Common Policy Request	(\$3,435,600)

COST ALLOCATION TO DEPARTMENTS

The allocations to State agencies for workers' compensation are determined by the Department's actuary. The actuary performs an analysis of loss history and forecasted trends to determine the appropriation allocations of the total risk pool. The following tables show the allocated percentages as well as the total amount allocated to each department or institution for FY 2016-17. Please see the Higher Education Detail section for the Higher Education institutions allocations.

FY 2016-17 Workers' Compensation Allocations for State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	0.7000%	\$268,777
Corrections	CO	21.7800%	\$8,362,788
Education	ED	1.4000%	\$537,553
Governor	EX	1.3300%	\$510,676
Health Care Policy & Financing	HC	0.1500%	\$57,595
Higher Education	HE	9.2400%	\$3,547,849
Human Services	HS		
Cost Allocation Share		23.9700%	\$9,203,674
Prior Year Claim Payments			\$80,000
<i>Human Services total</i>			<i>\$9,283,674</i>
Judicial	JD	3.8200%	\$1,466,752
Labor & Employment	LA	1.5200%	\$583,629
Legislature	LE	0.0400%	\$15,359
Local Affairs	LO	0.3000%	\$115,190

FY 2016-17 Workers' Compensation Allocations for State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Law	LW	0.2800%	\$107,511
Military Affairs	MA	0.2800%	\$107,511
Natural Resources	NR	3.8200%	\$1,466,752
Personnel	GS	0.6300%	\$241,895
Public Health & Environment	PH	1.7300%	\$664,262
Public Safety	PS	8.6400%	\$3,317,469
Regulatory Agencies	RG	0.2900%	\$111,350
Revenue	RV	2.9100%	\$1,117,343
Secretary of State	ST	0.0500%	\$19,198
Transportation	HI	17.1200%	\$6,573,504
Treasury	TR	0.0000%	\$0
Allocation Totals		100.00%	\$38,396,637

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Department	Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$268,777	\$51,752	\$2,014	\$49,738	\$0	\$0
Corrections	\$8,362,788	(\$220,449)	(\$213,483)	(\$6,966)	\$0	\$0
Education	\$537,553	\$102,352	\$39,154	\$31,299	(\$7,727)	\$39,626
Governor's Office	\$510,676	\$119,187	\$12,331	\$0	\$106,856	\$0
Health Care Policy and Financing	\$241,895	\$13,883	\$6,942	\$0	\$0	\$6,941
Higher Education	\$57,595	\$252,592	\$0	\$245,442	\$7,150	\$0
Human Services	\$3,547,849	(\$218,805)	(\$116,902)	(\$23,199)	(\$64,848)	(\$13,856)
Judicial Branch *	\$6,573,504	\$339,831	\$339,831	\$0	\$0	\$0
Labor And Employment	\$9,203,674	\$80,943	\$0	\$23,403	\$0	\$57,540
Law (Attorney General's Office) *	\$80,000	\$23,538	\$6,638	\$2,261	\$14,048	\$591
Legislative Branch *	\$1,466,752	\$3,472	\$3,472	\$0	\$0	\$0
Local Affairs	\$583,629	\$26,999	\$24,957	\$915	\$1,127	\$0
Military and Veterans Affairs	\$15,359	\$26,222	\$8,916	\$0	\$0	\$17,306
Natural Resources	\$115,190	(\$15,615)	(\$458)	(\$15,072)	(\$83)	(\$2)
Personnel & Administration	\$107,511	\$57,462	\$14,757	\$6,294	\$36,411	\$0
Public Health and Environment	\$107,511	(\$19,023)	\$0	\$0	(\$19,023)	\$0
Public Safety	\$1,466,752	\$139,543	\$116,011	\$734,628	(\$711,096)	\$0
Regulatory Agencies	\$664,262	\$26,227	\$887	\$24,044	\$902	\$394
Revenue	\$3,317,469	\$118,490	\$70,545	\$47,945	\$0	\$0
State *	\$111,350	\$5,011	\$0	\$5,011	\$0	\$0
Transportation	\$1,117,343	(\$926,907)	\$0	(\$926,907)	\$0	\$0
Treasury *	\$19,198	(\$767)	(\$767)	\$0	\$0	\$0
TOTAL	\$38,476,637	(\$14,062)	\$314,845	\$198,836	(\$636,283)	\$108,540

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS

The Risk Management Unit is located within the Department of Personnel & Administration's Division of Human Resources. It manages the State's self-funded property, liability, and workers' compensation insurance programs. The State's Risk Management Common Policy consists of two programs: the Liability Program and the Property Program.

The Liability Program manages claims and lawsuits filed against the State for negligence in occurrences such as automobile accidents, employment discrimination, and road maintenance. During a typical year, approximately 1,800 liability claims are filed against the State, most of which are dismissed due to the Colorado Governmental Immunity Act (CGIA). The majority of expenditures from the Liability Premiums line item are related to federal law, where the focus is on civil rights and employment discrimination. For individual departments, the liability portion of department-wide expenditures is caught in the Payment to Risk Management and Property Funds line item, which also includes the Property Premiums described below.

The Property Program manages the State's incurred costs for self-insured property exposures (e.g., floods, wind, fires, and theft). The Risk Management Unit administers large policy deductibles, and pursuant to statute, State agencies and institutions of higher education pay the first \$5,000 per claim. Policy premiums are allocated to State agencies and institutions of higher education based on pro-rata building and content values.

By industry standards, the State of Colorado is considered self-insured as it covers the liability for losses in these areas at least up to the first \$100,000, though many losses are covered to a considerably higher limit. The excess policies carried by the State protect it from extreme cases where a particular loss could jeopardize the overall solvency of the risk management funds.

FY 2016-17 ESTIMATED COSTS – LIABILITY

Calculation Methodology

The Department contracts with an actuary to estimate the liability allocations for each department. First, the actuary estimates the total current liability the State is facing based upon a multi-year analysis of actual losses and/or claims by each department. Second, using the same loss/claim data, the actuary estimates the allocation for each department as a percentage of the total liability.

Once the Department has the actuary estimates, calculations to determine the allocable cost pool begin. The allocable pool is determined by adding estimated overhead costs, program and policy costs, and a fund balance adjustment. Finally, the actuary allocations are applied to the allocable pool.

Overhead Costs

The following table shows the development of the overhead costs for the Risk Management Unit, which includes the workers’ compensation, property, and liability programs. The Department allocates the overhead costs to each program proportionally, based on the total estimated personal services expenditures for each program. Please refer to the Workers’ Compensation Calculation of Program Overhead section for a description of each component included in the table.

Calculation of Program Overhead for FY 2016-17					
Description	FY 2015-16 Appropriation	FY 2016-17 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	38.8%	14.3%	46.9%
Personal Services	\$839,775	\$847,620	\$288,255	\$106,189	\$453,176
Total Compensation Common Policies	166,320	161,550	62,650	23,079	75,821
Operating and OIT Common Policies	114,211	166,393	64,528	23,771	78,094
Operating Expenses	68,427	68,427	26,536	9,776	32,115
Indirect Costs	<u>163,715</u>	<u>189,850</u>	<u>73,625</u>	<u>27,122</u>	<u>89,103</u>
Total Program Overhead	\$1,352,448	\$1,433,840	\$515,594	\$189,937	\$728,309

Program and Policy Costs

The following table details Liability Program and Policy Costs for the FY 2016-17, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2016-17 table.

Liability Program and Policy Costs		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Program Overhead Expenses	\$496,569	\$515,594
Total Actuarial and Broker Services	32,073	32,073
Risk Management Information System	<u>45,816</u>	<u>63,683</u>
Total Risk Management Program Administration	\$574,458	\$611,350
2) Liability Claims		
<i>Liability Claims</i>	\$4,211,736	\$7,013,148
<i>Liability Excess Policy</i>	332,762	349,400
<i>Liability Legal Services</i>	2,807,823	3,985,654
C-SEAP Funding	1,333,646	1,326,116
Adjustment to Targeted Fund Balance	<u>1,233,500</u>	<u>119,665</u>
Total Liability Allocations	\$10,493,925	\$13,405,333

The following text provides a brief description of each component and any considerable changes to the amount or methodology from prior submissions.

- **Total Risk Management Program Administration:** This includes program overhead, Broker Fees incurred by the State for an independent broker to source the various excess

policies required by the State, and RMIS Service Fees represent the costs incurred by the State for the risk management information system. For FY 2016-17 the RMIS contract amount was increased due to a contract renewal and bid process. The new contract will provide 250 user licenses, an increase from 150 and allows access to several new modules including a module to track safety activities, anonymous reporting of unsafe conditions and a feed directly from the RMIS to the third party claims administrator for claims processing.

- **Liability Claims:** This value is actuarially determined for the Department on an annual basis. The State’s actuary takes into account previous loss experience and a number of other historical and forecasted trends to develop this figure. The increase in claims estimates can be attributed to Senate Bill 13-023 which increased the Colorado Government Immunity Act payment caps from \$150,000 to \$350,000 for a single person and from \$600,000 to \$990,000 for two or more persons.
- **Liability Excess Policy:** This policy exists to protect the State from any auto-related liability incurred outside of the State or claims brought in federal court. Inside the State, the State’s liability is limited to \$600,000 by the Colorado Governmental Immunity Act. The cost represented in the table is the value the Department anticipates paying for this coverage in FY 2016-17.
- **Liability Legal Services:** The legal expenses line is estimated by the Department’s actuary and presented in its report to the State each year. This appropriation is necessary to defend the State against liability lawsuits in which it is named as the defendant.
- **C-SEAP Funding:** Beginning in FY 2013-14, the funding for the Colorado State Employee Assistance Program was transitioned from the Workers’ Compensation allocations to the Liability allocations. A detailed calculation for C-SEAP funding is provided below.

Calculation of FY 2016-17 CSEAP Funding Request		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Personal Services	\$804,848	\$817,704
Total Compensation Common Policies	184,851	192,028
Operating Expenses	53,794	53,794
Operating Common Policies	117,894	232,794
Indirect Costs	<u>172,259</u>	<u>29,796</u>
Total	\$1,333,646	\$1,326,116

- **Adjustment to Targeted Fund Balance:** The following table shows the calculation of the target fund balance adjustment. The Department uses the year end fund balance for the most recent fiscal year, then adds anticipated revenues and subtracts anticipated expenditures for the current fiscal year and request year to calculate the fund balance adjustment. For FY 2016-17, the Department requests a reserve balance of 5 percent of the total projected expenditures from the Liability Fund, plus 25 percent of the prospective claims payouts.

Liability Fund Balance Adjustment	
FY 2014-15 End-of-Year Fund Balance	\$990,568
FY 2015-16 Expenditure Estimate	(\$9,252,895)
FY 2015-16 Agency Billings	\$10,493,927
FY 2015-16 Estimated End-of-Year Fund Balance	\$2,231,600
Targeted Fund Balance %'s	5%/25%
TARGET FUND BALANCE FY 2016-17	\$2,351,265
Increase / (Decrease) to Common Policy Request	\$119,665

FY 2016-17 ESTIMATED COSTS – PROPERTY

Calculation Methodology

The Department surveys state agencies annually to determine the total value of the State's building and building contents. Allocations are assigned proportionally, based on a department's or institution's percentage of assets or holdings relative to the State's total asset pool.

Once the Department has determined the property allocations, calculations to determine the allocable cost pool begin. The allocable pool is determined by adding estimated overhead costs, program and policy costs, and a fund balance adjustment. Finally, the property allocations are applied to the allocable pool.

Overhead Costs

The following table shows the development of the overhead costs for the Risk Management Unit, which includes the workers' compensation, property, and liability programs. The Department allocates the overhead costs to each program proportionally, based on the total estimated personal services expenditures for each program. Please refer to the Workers' Compensation Calculation of Program Overhead section for a description of each component included in the table.

Calculation of Program Overhead for FY 2016-17					
Description	FY 2015-16 Appropriation	FY 2016-17 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	38.8%	14.3%	46.9%
Personal Services	\$839,775	\$847,620	\$288,255	\$106,189	\$453,176
Total Compensation Common Policies	166,320	161,550	62,650	23,079	75,821
Operating and OIT Common Policies	114,211	166,393	64,528	23,771	78,094
Operating Expenses	68,427	68,427	26,536	9,776	32,115
Indirect Costs	<u>163,715</u>	<u>189,850</u>	<u>73,625</u>	<u>27,122</u>	<u>89,103</u>
Total Program Overhead	\$1,352,448	\$1,433,840	\$515,594	\$189,937	\$728,309

Program and Policy Costs

The following table details the total FY 2016-17 costs for the Property Program, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2016-17 table.

Property Program and Policy Costs		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Program Overhead Expenses	\$175,189	\$189,937
Actuarial and Broker Services	202,500	202,500
RMIS Service Fees	<u>45,816</u>	<u>63,683</u>
Total Risk Management Program Administration	\$423,505	\$456,121
(3) Property		
<i>Property Policies</i>	<u>\$4,907,385</u>	<u>\$5,179,922</u>
Property & Boiler Policies	4,310,450	\$4,563,000
Terrorism Premium	246,611	\$230,000
Flood Zone A Premiums	25,000	\$25,000
Crime Policy	325,324	\$361,922
<i>Policy Deductibles and Payouts</i>	<u>\$2,600,000</u>	<u>\$2,600,000</u>
Adjustment to Targeted Fund Balance	(1,083,395)	(122,371)
Total Property Allocations	\$6,847,495	\$8,113,672

The following text provides a brief description of each component and any considerable changes to the amount or methodology from prior submissions.

- Total Risk Management Program Administration:** This includes program overhead, Broker Fees incurred by the State for an independent broker to source the various excess policies required by the State, and RMIS Service Fees represent the costs incurred by the State for the risk management information system. For FY 2016-17 the RMIS contract amount was increased due to a contract renewal and bid process. The new contract will provide 250 user licenses, an increase from 150 and allows access to several new modules including a module to track safety activities, anonymous reporting of unsafe conditions and a feed directly from the RMIS to the third party claims administrator for claims processing.
- Property Policies:** Property & boiler policies cover the State's approximately \$9 billion in buildings, assets, and real property from loss with a \$500,000 deductible. The terrorism premium funds a terrorism policy to secure the same type of coverage as offered under the Property & Boiler policies for losses caused by acts of terrorism. Flood Zone Premiums represents the additional cost to the State for having insurance coverage for those properties within a flood zone. The crime policy allows the State to protect itself from employee acts of dishonesty.
- Policy Deductibles and Payouts:** This is the estimated payout for residuals, required by the policies above. With the exception of incidents of losses over \$500,000, the State is self-funded for the majority of the claims filed under the property policy.
- Adjustment to Targeted Fund Balance:** The following table shows the calculation of the target fund balance adjustment. The Department uses the year end fund balance for the most recent fiscal year, then adds anticipated revenues and subtracts anticipated expenditures for the current fiscal year and request year to calculate the fund balance adjustment. For FY 2016-17, the Department requests a reserve balance of 5 percent of the total projected expenditures from the Property Fund, plus 10 percent of the prospective claims payouts.

Property Fund Balance Adjustment	
FY 2014-15 End-of-Year Fund Balance	\$1,877,568
FY 2015-16 Expenditure Estimate	(\$7,930,890)
FY 2015-16 Agency Billings	\$6,847,495
FY 2015-16 Estimated End-of-Year Fund Balance	\$794,173
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2016-17	\$671,802
Increase / (Decrease) to Common Policy Request	(\$122,371)

COST ALLOCATION TO DEPARTMENTS – LIABILITY AND PROPERTY

The following tables show the allocated percentages as well as the total amount allocated to each department or institution for FY 2016-17. The property and liability allocations are appropriated in a single line item; therefore, the Department has also provided a table to show the incremental calculation in total, and also a series of tables with the fund splits.

FY 2016-17 Liability Allocations for State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	0.880%	\$117,967
Corrections	CO	23.650%	\$3,170,361
Education	ED	0.410%	\$54,962
Governor	EX	3.190%	\$427,630
Health Care Policy & Financing	HC	1.390%	\$186,334
Higher Education	HE	8.240%	\$1,104,600
Human Services	HS	9.080%	\$1,217,205
Judicial	JD	5.820%	\$780,191
Labor & Employment	LA	0.620%	\$83,113
Law	LW	1.990%	\$266,766
Legislature	LE	0.100%	\$13,405
Local Affairs	LO	0.310%	\$41,557
Military Affairs	MA	0.280%	\$37,535
Natural Resources	NR	3.080%	\$412,884
Personnel	GS	0.670%	\$89,814
Public Health & Environment	PH	0.940%	\$126,010
Public Safety	PS	17.940%	\$2,404,917
Regulatory Agencies	RG	1.550%	\$207,783
Revenue	RV	2.160%	\$289,555
Secretary of State	ST	0.670%	\$89,816
Transportation	HI	17.010%	\$2,280,247
Treasury	TR	0.020%	\$2,681
Allocation Totals		100%	\$13,405,333

FY 2016-17 Property Allocations for State Agencies					
Department	Building & Contents Value	% Allocation	\$ Allocation	Flood Zone A Premiums	Total
Agriculture	\$79,416,780	0.80%	\$64,670	\$0	\$64,670
Corrections	\$1,582,684,521	15.93%	\$1,288,807	\$0	\$1,288,807
Education	\$70,791,885	0.71%	\$57,647	\$0	\$57,647
Governor	\$91,297,291	0.92%	\$74,345	\$0	\$74,345
Health Care Policy & Financing	\$4,046,765	0.04%	\$3,295	\$0	\$3,295
Higher Education	\$3,492,341,246	35.16%	\$2,843,872	\$25,000	\$2,868,872
Human Services	\$912,575,758	9.19%	\$743,126	\$0	\$743,126
Judicial	\$179,984,000	1.81%	\$146,564	\$0	\$146,564
Labor & Employment	\$37,439,912	0.38%	\$30,488	\$0	\$30,488
Legislature	\$5,594,609	0.06%	\$5,228	\$0	\$5,228
Local Affairs	\$13,185,841	0.06%	\$4,556	\$0	\$4,556
Law	\$6,419,716	0.13%	\$10,737	\$0	\$10,737
Military Affairs	\$116,315,353	1.17%	\$94,718	\$0	\$94,718
Natural Resources	\$484,244,122	4.88%	\$394,328	\$0	\$394,328
Personnel	\$673,414,633	6.78%	\$548,373	\$0	\$548,373
Public Health & Environment	\$84,937,124	0.86%	\$69,166	\$0	\$69,166
Public Safety	\$145,999,484	1.47%	\$118,890	\$0	\$118,890
Regulatory Agencies	\$20,795,173	0.21%	\$16,934	\$0	\$16,934
Revenue	\$53,023,254	0.53%	\$43,178	\$0	\$43,178
Secretary of State	\$7,897,247	0.08%	\$6,431	\$0	\$6,431
Transportation	\$1,870,480,690	18.83%	\$1,523,164	\$0	\$1,523,164
Treasury	\$190,226	0.00%	\$155	\$0	\$155
Allocation Totals	\$9,933,075,630	100%	\$8,088,672	\$25,000	\$8,113,672

Combined Allocation for Payment to Risk Management and Property Funds

Payments to Risk Management and Property Fund Request FY 2016-17					
Department	Liability Base Need	Property Need	Total Liability + Property	FY 2015-16 Long Bill	Incremental Adjustment
Agriculture	\$117,967	\$64,670	\$182,637	\$155,570	\$27,067
Corrections	\$3,170,361	\$1,288,807	\$4,459,168	\$4,203,591	\$255,577
Education	\$54,962	\$57,647	\$112,609	\$79,031	\$33,578
Office of Governor	\$427,630	\$74,345	\$501,975	\$320,352	\$181,623
Personnel & Administration	\$186,334	\$3,295	\$189,629	\$166,912	\$22,717
Health Care Policy	\$1,104,600	\$2,868,872	\$3,973,472	\$3,003,183	\$970,289
Higher Education	\$1,217,205	\$743,126	\$1,960,331	\$1,642,372	\$317,959
Transportation	\$780,191	\$146,564	\$926,755	\$729,019	\$197,736
Human Services	\$83,113	\$30,488	\$113,601	\$76,052	\$37,549
Judicial	\$13,405	\$5,228	\$18,633	\$11,933	\$6,700
Labor & Employment	\$41,557	\$4,556	\$46,113	\$33,952	\$12,161
Legislature	\$266,766	\$10,737	\$277,503	\$169,610	\$107,893
Local Affairs	\$37,535	\$94,718	\$132,253	\$116,976	\$15,277
Law	\$412,884	\$394,328	\$807,212	\$711,637	\$95,575
Military Affairs	\$89,814	\$548,373	\$638,187	\$571,070	\$67,117
Natural Resources	\$126,010	\$69,166	\$195,176	\$133,949	\$61,227

Payments to Risk Management and Property Fund Request FY 2016-17					
Department	Liability Base Need	Property Need	Total Liability + Property	FY 2015-16 Long Bill	Incremental Adjustment
Public Health	\$2,404,917	\$118,890	\$2,523,807	\$1,961,754	\$562,053
Public Safety	\$207,783	\$16,934	\$224,717	\$246,423	(\$21,706)
Regulatory Agencies	\$289,555	\$43,178	\$332,733	\$265,490	\$67,243
Revenue	\$89,816	\$6,431	\$96,247	\$59,693	\$36,554
Secretary of State	\$2,280,247	\$1,523,164	\$3,803,411	\$2,680,938	\$1,122,473
Treasury	\$2,681	\$155	\$2,836	\$1,915	\$921
Totals	\$13,405,333	\$8,113,672	\$21,519,005	\$17,341,422	\$4,177,583

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for Payments to Risk Management						
Department	Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$182,637	\$27,067	\$4,339	\$22,728	\$0	\$0
Corrections	\$4,459,168	\$255,577	\$245,507	\$10,070	\$0	\$0
Education	\$112,609	\$33,578	\$33,578	\$0	\$0	\$0
Governor's Office	\$501,975	\$181,623	\$57,831	\$0	\$123,792	\$0
Health Care Policy and Financing	\$189,629	\$22,717	\$11,359	\$0	\$0	\$11,358
Higher Education	\$3,973,472	\$970,289	\$0	\$965,906	\$4,383	\$0
Human Services	\$1,960,331	\$317,959	\$169,505	\$25,637	\$50,098	\$72,719
Judicial Branch *	\$926,755	\$197,736	\$197,736	\$0	\$0	\$0
Labor And Employment	\$113,601	\$37,549	\$0	\$12,365	\$0	\$25,184
Law (Attorney General's Office)	\$18,633	\$107,593	\$30,103	\$11,303	\$63,362	\$2,825
Legislative Branch *	\$46,113	\$6,700	\$6,700	\$0	\$0	\$0
Local Affairs	\$277,503	\$12,161	\$11,320	\$751	\$90	\$0
Military and Veterans Affairs	\$132,253	\$15,277	\$15,277	\$0	\$0	\$0
Natural Resources	\$807,212	\$95,575	\$5,886	\$88,569	\$598	\$522
Personnel & Administration	\$638,187	\$67,117	\$16,543	\$6,123	\$44,451	\$0
Public Health and Environment	\$195,176	\$61,227	\$0	\$0	\$61,227	\$0
Public Safety	\$2,523,807	\$562,053	\$283,379	\$828,102	(\$549,428)	\$0
Regulatory Agencies	\$224,717	(\$21,706)	(\$734)	(\$19,899)	(\$747)	(\$326)
Revenue	\$332,733	\$67,243	\$32,125	\$35,118	\$0	\$0
State *	\$96,247	\$36,554	\$0	\$36,554	\$0	\$0
Transportation	\$3,803,411	\$1,122,473	\$0	\$1,122,473	\$0	\$0
Treasury *	\$2,836	\$921	\$921	\$0	\$0	\$0
TOTAL	\$21,519,005	\$4,177,283	\$1,121,375	\$3,145,800	(\$202,174)	\$112,282

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

**The Department of Law allocation in the table above is based on the FY 2015-16 Long Bill appropriation which does not match the amount that will be allocated for FY 2015-16.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

CAPITOL COMPLEX LEASED SPACE

The Capitol Complex facilities encompass approximately 1.3 million square feet. Facilities management includes housekeeping, grounds maintenance, and property management functions for the Capitol Complex adjacent to the State Capitol Building, 1881 Pierce Street, the Kipling Campus, and North Campus as well as other facilities in Grand Junction and Camp George West.

This line item provides funding for payments to the Department of Personnel & Administration to manage the Capitol Complex. Agencies are allocated a portion of the total management cost realized by the Department of Personnel & Administration based on occupied square feet.

FY 2016-17 ESTIMATED COSTS

The Department of Personnel & Administration is required by statute to recover only the costs associated with operating and maintaining the buildings within the Capitol Complex. Therefore, the Department is not allowed to under or over-recover funding from the agencies occupying Capitol Complex space.

Capitol Complex Leased Space (CCLS) allocations are determined by aggregating the costs associated with maintaining the program to an allocable pool, then splitting the allocable pool among all user agencies. These costs are aggregated for each of the three primary campuses: Camp George West, Grand Junction, and Denver. Once the total costs are determined, the Department calculates the effective rate per square foot by dividing the total cost of the allocable pool by the total number of square feet in the complex. Next, the Department distributes the total cost among each department based on the square feet each department occupies at each campus. The following table provides the total estimated costs for the Capitol Complex Lease Space request.

FY 2016-17 Capitol Complex Leased Space Base Adjustment		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Personal Services	\$3,125,750	\$3,174,718
Total Compensation Common Policies	\$727,996	\$715,533
Operating Expenses	\$2,709,468	\$2,709,468
Capitol Complex Repairs	\$56,520	\$56,520
Operating and OIT Common Policies	\$734,769	\$1,057,398
Depreciation Estimate	\$169,332	\$194,614
Energy Performance Depreciation	\$1,470,123	\$1,469,769
Utilities	\$3,516,543	\$3,650,254
Capitol Complex Security	\$405,243	\$405,243
Indirect Costs	\$1,009,358	\$313,715
Sprint Leased Tower Space	(\$50,222)	(\$39,681)
Total Base Costs	\$13,874,880	\$13,707,551
Fund Balance Adjustment	\$1,125,721	\$852,135
Allocated Square Feet	1,291,789	1,283,875
Estimated Cost Per Square Foot	\$11.61	\$11.34

The following text provides a brief description of each component and any considerable changes to the amount or methodology from prior submissions.

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay.
- **Total Compensation Common Policies:** This includes funding for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey, Merit Pay and Shift Differential.
- **Operating Expenses:** The Department requests a continuation level of funding for operating expenses.
- **Capitol Complex Repairs:** A continuation level of funding for Capitol Complex Repairs is included for FY 2016-17. The General Assembly appropriates funding to this line item to account for some of the HVAC repairs that must take place for the Capitol Complex to operate effectively.
- **Operating and OIT Common Policies:** This includes the program's need for the following centrally appropriated line items: Workers' Compensation, Legal Services, Administrative Law Judge Services, Payment to Risk Management and Property Funds, Leased Space, Capitol Complex Leased Space, Payments to OIT, and CORE Operations.
- **Depreciation Estimate:** This cost accounts for the depreciation of equipment as estimated by the Department's accounting group. Including depreciation in the cost pool allows the State to recover funding outlays for capital expenses in the program. Per federal government requirements, the inclusion of depreciation is the only acceptable methodology for recovering these types of expenses.
- **Energy Performance Depreciation:** The Energy Performance Depreciation line item has increased from year-to-year based on the inclusion of the depreciation associated with Phase 4 of the Department's energy performance contracts. Essentially, the Department finances improvements to the State's buildings by signing agreements with vendors to perform capital improvements to energy consuming systems to save money in excess of the cost of the contract through lower utility bills. Due to federal rules published by the Office of Management and Budget, the State is not allowed to recover the full cost of the financing over the term of the financing period. Per federal government requirements, the inclusion of depreciation is the only acceptable methodology for recovering these types of expenses.
- **Utilities:** See the Utilities Methodology section below. In addition to the utilities amount, this represents the cost of the Performance Contract interest payments.
- **Capitol Complex Security:** This cost is for the Colorado State Patrol to provide security within the Capitol Complex, primarily the State Capitol. A continuation level of funding has been requested.
- **Indirect Costs:** This represents the program's share of indirect costs for FY 2016-17.
- **Sprint Leased Tower Space:** The Department of Personnel & Administration leases land to Sprint for a cell tower at Camp George West. This funding offsets expenses at Camp George West.
- **Fund Balance Adjustment:** The CCLS request includes a targeted fund balance adjustment as a part of the common policy request. For this year, the Department requests a 16.5 percent fund balance target, which is consistent with S.B. 14-108 that allows a fund balance reserve of 16.5 percent of expenditures, rather than the 8.25 percent that was built into the November

1 request in prior years. The purpose of this is to build a capital outlay reserve in DPA's revolving fund that will be used for the future replacement of capital assets.

Capitol Complex Leased Space Fund Balance Adjustment	
FY 2014-15 End-of-Year Fund Balance	\$283,888
FY 2015-16 Expenditure Estimate	\$13,874,880
FY 2015-16 Revenue Estimate	\$15,000,603
FY 2015-16 Estimated End-of-Year Fund Balance	\$1,409,611
Targeted Fund Balance	16.5%
TARGET FUND BALANCE FY 2016-17	\$2,261,746
Increase / (Decrease) to Common Policy Request	\$852,135

UTILITIES METHODOLOGY

For FY 2016-17, the Department of Personnel & Administration has continued the established utilities methodology for the common policy submission, with the exception of the elimination of Camp George West utilities. Agencies occupying Camp George West are now charged directly for utilities use, except for water & sewer. The utilities request for the Capitol Complex program was constructed, by campus, using the following methodology:

1. Determine the total usage by utility type.
2. Determine the total billing by utility type.
3. Determine the full-year's effective rate for each utility by campus.
4. Apply the estimated growth factor.
5. Take the product of the rate determined in step #4 and the total actual usage determined in #1 – this is the total utility need for the utility type for each campus.

The following tables detail the calculation outlined above:

FY 2016-17 Utilities Build for Capitol Complex Leased Space					
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Denver					
FY 2014-15 Total Usage	23,413,973	99,163	13,353	24,615	
FY 2014-15 Total Billing	\$2,059,453	\$101,641	\$323,502	\$199,201	
FY 2014-15 Average Billing Rate	0.08800	1.0250	24.2269	8.0927	
Estimated Rate Increase FY 2014-15 to FY 2016-17	5%	5%	5%	3%	
Projected Rate	0.0924	1.0763	25.4382	8.3354	
FY 2016-17 Estimated Need by Location	\$2,163,451	\$106,729	\$339,676	\$205,176	\$2,815,032
Grand Junction					
FY 2014-15 Total Usage	728,640	5,970		945,000	
FY 2014-15 Total Billing	\$66,099	\$4,386		\$4,930	
FY 2014-15 Average Billing Rate	0.0907	0.7347		0.0052	
Estimated Rate Increase FY 2014-15 to FY 2016-17	5%	5%		3%	

FY 2016-17 Utilities Build for Capitol Complex Leased Space					
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Projected Rate	0.0952	0.7714		0.0054	
FY 2016-17 Estimated Need by Location	\$69,367	\$4,605		\$7,036	\$81,008
Camp George West					
FY 2014-15 Total Usage				113,137	
FY 2014-15 Total Billing				\$72,591	
FY 2014-15 Average Billing Rate				0.6416	
Estimated Rate Increase FY 2014-15 to FY 2016-17				3%	
Projected Rate				0.6608	
FY 2016-17 Estimated Need by Location				\$74,761	\$74,761

In addition to utilities costs, the utilities line item is used to pay interest and principal payments for performance contracts. The performance contract detail is outlined below:

FY 2016-17 Utilities Line Item Build		
Description	FY 2015-16 Appropriation	FY 2016-17 Budget Request
Allocated Utilities	\$2,770,051	\$2,970,801
Performance Contract Interest Payment	<u>746,492</u>	<u>679,452</u>
<i>Subtotal Allocated Amount</i>	\$3,516,543	\$3,650,253
Performance Contract Principal Payment	1,024,706	1,133,984
True-Up Steam Rebates	<u>313,139</u>	<u>320,424</u>
Total Request Utilities Line Item Request	\$4,854,388	\$5,104,661

COST ALLOCATION TO DEPARTMENTS

The following tables show the total square foot per agency, square foot campus rates, and request amounts for each department or institution for FY 2016-17.

Square Foot Allocation Per Location by Department						
Department	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Corrections	0	0	0	0	46,696	46,696
Correctional Industries	0	0	0	0	18,672	18,672
Education	42,049	0	0	0	0	42,049
Governor, Lt Governor, OSPB	19,090	0	0	0	0	19,090
OIT	13,853	0	0	1,346	0	15,199
Health Care Policy & Financing	33,264	0	0	0	0	33,264
Human Services	89,429	0	0	2,993	0	92,422
Labor & Employment	0	0	5,381	1,299	0	6,680
Legislature	142,740	0	0	0	0	142,740
Local Affairs	31,331	0	0	3,783	0	35,114

Square Foot Allocation Per Location by Department						
Department	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Military Affairs	0	0	0	0	55,865	55,865
Natural Resources	85,221	0	0	0	0	85,221
Personnel	126,283	0	82,034	2,710	0	211,027
Public Health & Environment	0	0	0	4,477	0	4,477
Public Safety	104,792	0	0	0	166,368	271,160
Regulatory Agencies	0	0	0	0	0	0
Revenue	73,685	89,031	2,119	5,919	0	170,754
Transportation	0	0	0	12,618	13,703	26,321
Treasury	3,351	0	0	0	0	3,351
CSU Forest Service	0	0	0	0	3,773	3,773
Total	765,088	89,031	89,534	35,145	305,077	1,283,875

FY 2016-17 Estimated Costs per Square Foot					
Description	Denver	Pierce	North Campus	Grand Junction	Camp George West
Base Rate	\$16.80	\$10.48	\$2.71	\$7.61	\$0.86

FY 2016-17 Capitol Complex Allocations by Department and Campus						
Department	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Corrections	\$0	\$0	\$0	\$0	\$40,386	\$40,386
Correctional Industries	\$0	\$0	\$0	\$0	\$16,149	\$16,149
Education	\$706,357	\$0	\$0	\$0	\$0	\$706,357
Governor, Lt Governor, OSPB	\$320,682	\$0	\$0	\$0	\$0	\$320,682
OIT	\$232,709	\$0	\$0	\$10,247	\$0	\$242,956
Health Care Policy & Financing	\$558,783	\$0	\$0	\$0	\$0	\$558,783
Human Services	\$1,502,266	\$0	\$0	\$22,787	\$0	\$1,525,053
Labor & Employment	\$0	\$0	\$14,590	\$9,890	\$0	\$24,480
Legislature	\$2,397,806	\$0	\$0	\$0	\$0	\$2,397,806
Local Affairs	\$526,311	\$0	\$0	\$28,801	\$0	\$555,112
Military Affairs	\$0	\$0	\$0	\$0	\$48,317	\$48,317
Natural Resources	\$1,431,578	\$0	\$0	\$0	\$0	\$1,431,578
Personnel	\$2,121,355	\$0	\$222,429	\$20,632	\$0	\$2,364,416
Public Health & Environment	\$0	\$0	\$0	\$34,085	\$0	\$34,085
Public Safety	\$1,760,340	\$0	\$0	\$0	\$143,888	\$1,904,228
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$1,237,792	\$933,227	\$5,746	\$45,063	\$0	\$2,221,828
Transportation	\$0	\$0	\$0	\$96,064	\$11,851	\$107,915
Treasury	\$56,292	\$0	\$0	\$0	\$0	\$56,292
CSU Forest Service	0	0	0	0	3,263	3,263
Total	\$12,852,271	\$933,227	\$242,765	\$267,569	\$263,854	\$14,559,686

Legislature Detail	
Capitol Complex Leased Space Allocation	\$2,397,806
Parking at 1525 Sherman	28,800
Conference Center Rental	1,500
Total	\$2,428,106

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for Capitol Complex Leased Space						
Department	Request	Base Adj.	GF	CF	RF	FF
Corrections	\$56,535	\$235	\$168	\$67	\$0	\$0
Education	\$706,357	(\$42,901)	(\$10,197)	(\$8,329)	(\$13,203)	(\$11,172)
Governor's Office	\$563,638	(\$87,460)	(\$138,608)	\$0	\$51,148	\$0
Health Care Policy and Financing	\$558,783	\$9,546	\$4,773	\$0	\$0	\$4,773
Human Services	\$1,525,053	(\$223,185)	(\$117,162)	(\$10,516)	(\$11,413)	(\$84,094)
Labor And Employment	\$24,480	\$2,600	\$0	\$2,600	\$0	\$0
Legislative Branch *	\$2,397,806	(\$55,183)	(\$55,183)	\$0	\$0	\$0
Local Affairs	\$555,112	(\$93,424)	(\$32,329)	(\$5,641)	(\$48,745)	(\$6,709)
Military and Veterans Affairs	\$48,317	\$202	\$202	\$0	\$0	\$0
Natural Resources	\$1,431,578	\$50,467	\$10,683	\$25,761	\$8,631	\$5,392
Personnel & Administration	\$2,364,416	(\$23,970)	(\$107,382)	(\$13,266)	\$96,678	\$0
Public Health and Environment	\$34,085	\$6,788	\$0	\$0	\$6,788	\$0
Public Safety	\$1,904,228	\$133,412	\$914,014	\$25,739	(\$806,341)	\$0
Regulatory Agencies	\$0	(\$4,147)	\$0	(\$4,147)	\$0	\$0
Revenue	\$2,221,828	(\$104,191)	(\$214,969)	\$110,778	\$0	\$0
Transportation	\$107,915	\$10,313	\$0	\$10,313	\$0	\$0
Treasury *	\$56,292	(\$20,032)	(\$20,032)	\$0	\$0	\$0
CSU Forest Service	\$3,263	\$13	\$0	\$13	\$0	\$0
TOTAL	\$14,559,686	(\$440,917)	\$233,978	\$133,372	(\$716,457)	(\$91,810)

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

COLORADO OPERATIONS AND RESOURCE ENGINE (CORE)

In 2011, the State Auditor published a risk assessment regarding the sustainability of operations under the State's accounting system Colorado Financial Reporting System (COFRS). The report concluded that "COFRS is at significant risk of partial or complete failure and can no longer be supported by outside vendors or maintained by existing resources within the State". Responding to the concerning findings of the risk assessment, the General Assembly provided the Governor's Office of Information Technology (OIT) an appropriation in FY 2012-13, funded through common policy allocations, to begin the modernization of COFRS.

The replacement system for COFRS, now operates as the Colorado Operations Resource Engine (CORE). CORE went live on July 1, 2014 and recently closed the first fiscal year under the new system, FY 2014-15. During FY 2014-15, there were over 4,000 CORE users that produced

over five million documents or records across budget, accounting and procurement. On July 1, 2015 the administrative responsibility for CORE was transferred from OIT to DPA. Along with this transfer, DPA now has oversight of the common policy used to bill agencies for use of the system.

FY 2016-17 ESTIMATED COSTS

For FY 2016-17, DPA and OSPB request a base adjustment to the CORE Operations Common Policy, and an adjustment to the Payments to CORE Support Modules line item, in order to true up the licenses needed to support the State. The descriptions and table below provide the amount and rationale behind each of the request components and outline any departure from the previously requested amounts or methodologies. The Department submits an adjustment for this common policy annually, based on final and historical final document count in the most recent fiscal year.

FY 2016-17 CORE Operations Request		
Description	FY 2015-16 Appropriation	FY 2016-17 Request
Personal Services	\$1,754,192	\$1,793,977
Total Compensation Common Policies	26,096	344,542
Operating and OIT Common Policies	0	259,015
Operating Expenses	1,369,408	1,369,408
Payments for CORE and Support Modules	4,844,555	5,232,347
Depreciation	4,136,973	4,901,742
Fund Balance Adjustment	<u>(1,776,080)</u>	<u>(3,179,981)</u>
Total	\$10,355,144	\$10,721,050

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay.
- **Total Compensations Common Policies:** This includes funding for the CORE program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey and Merit Pay. Note: this table reflects the sum of all common policy allocations for FY 2015-16, not the estimated departmental need.
- **Operating and OIT Common Policies:** This includes the program’s need for the following centrally appropriated line items: Workers’ Compensation, Legal Services, Payment to Risk Management and Property Funds, Leased Space, Capitol Complex Leased Space, Payments to OIT, and COFRS Modernization. Note: this table reflects the sum of all common policy allocations for FY 2015-16, not the estimated departmental need.
- **Operating Expenses:** A continuation level of funding has been requested for operating expenses.
- **Payments for CORE and Support Modules:** This line item allows DPA to submit payments to the CORE vendor for Managed Services and Labor Data Collection (LDC). In addition Electronic Content Management (ECM) storage costs are funded by this line item. Initially, the total cost for ECM licenses was estimated at \$390,600 for 500 licenses, however the total access cost for all CORE users is \$781,981 for 1,001 licenses. The licenses are not assigned to specific users, rather this is the total need to support all the users in the state. The

line item request reflects the need for additional licenses and a (\$3,589) true-up of the appropriation based on final contract amounts.

- **CORE Depreciation Expense:** Calculating the depreciable value of the CORE system is necessary in order to properly bill cash and federal sources of revenue for their proportional share of the implementation and ongoing costs of the system. Depreciation is calculated based on a 10-year straight-line schedule, with the total value of the CORE asset set at \$49,017,423. The depreciation is anticipated to remain stable for the depreciable term of the asset.
- **Fund Balance Adjustment:** The fund balance adjustment is the mechanism which the Department adjusts rates up or down to utilize any over/under collections from the previous fiscal year. CORE operations have two funds to utilize for this purpose, the adjustment in the table above shows the net impact of both of these funds.

The Supplier Database Cash Fund receives revenues from rebates on statewide price agreements. Prior to CORE implementation, this fund supported Contract and Procurement functions. The CORE Operations common policy allocation has been subsidized with \$3,227,891 cash funds in FY 2016-17 from the Supplier Database Cash Fund. The Department has requested to retain a reserve of 8.5 percent of the estimated FY 2015-16 year end fund balance.

FY 2016-17 Supplier Database Fund Balance Adjustment	
Description	Amount
Final Fund Balance - FY15 Projected	\$3,303,830
Projected FY16 Revenue	\$2,000,000
Projected FY16 Expense	\$1,776,080
<i>Final Fund Balance - FY16 Proj.</i>	<i>\$3,527,750</i>
Fund Balance Reserve - 8.5%	\$299,859
Addition/(reduction) to Allocations	(\$3,227,891)

The Statewide Financial Information Technology Systems Cash Fund was created to allow DPA to collect and expend revenues for the CORE Operations Common Policy. Since FY 2015-16 is the first year that DPA has managed the CORE Operations Common Policy, the fund began the fiscal year with no fund balance. To retain a fund balance reserve 8.25 percent of Personal Service and Operating expenses, \$47,910 has been added to the FY 2016-17 request.

FY 2016-17 Statewide Financial Information Technology Systems Cash Fund Balance Projection	
Description	Amount
Final Fund Balance - FY15 Projected	\$0
Projected FY16 Revenue	\$10,355,144
Projected FY16 Expense	\$10,142,075
<i>Final Fund Balance - FY16 Proj.</i>	<i>\$213,069</i>
Fund Balance Reserve - 8.25% PS/OE	\$260,979
Addition/(reduction) to Allocations	\$47,910

COST ALLOCATION TO DEPARTMENTS

CORE Operations allocations to departments are based on the final and historical final document count from the most recent fiscal year. The requested allocation uses the total of all personal services and operating expenditures projected for the program operations (See FY 2016-17 CORE Operations Request Table) and allocates the cost proportionally by department, according to the prior fiscal year's final and historical final document count in CORE. The following table shows the requested allocation by agency.

FY 2016-17 CORE Operations Allocations for State Agencies				
Department	FY 2014-15 Utilization	FY 2015-16 Appropriation	FY 2016-17 Request	Incremental Need
Agriculture	0.98%	\$76,354	\$104,575	\$28,221
Corrections	3.85%	\$611,121	\$412,815	(\$198,306)
Education	2.69%	\$207,706	\$288,258	\$80,552
Governor	3.53%	\$174,701	\$377,948	\$203,247
Health Care Policy & Financing	13.49%	\$1,598,167	\$1,446,417	(\$151,750)
Higher Education	1.51%	\$95,720	\$161,859	\$66,139
Human Services	12.41%	\$1,667,387	\$1,330,995	(\$336,392)
Judicial	8.15%	\$1,619,424	\$874,207	(\$745,217)
Labor and Employment	2.94%	\$304,222	\$315,204	\$10,982
Law	0.59%	\$59,075	\$63,718	\$4,643
Legislature	0.37%	\$28,049	\$39,486	\$11,437
Local Affairs	4.45%	\$399,621	\$476,562	\$76,941
Military Affairs	0.50%	\$65,220	\$53,899	(\$11,321)
Natural Resources	24.85%	\$1,723,832	\$2,664,588	\$940,756
Personnel	2.88%	\$401,287	\$309,170	(\$92,117)
Public Health & Environment	5.40%	\$354,167	\$579,054	\$224,887
Public Safety	2.81%	\$262,455	\$301,003	\$38,548
Regulatory Agencies	1.54%	\$186,920	\$165,170	(\$21,750)
Revenue	4.02%	\$297,297	\$431,083	\$133,786
State	0.15%	\$17,031	\$16,228	(\$803)
Transportation	1.41%	\$119,753	\$150,982	\$31,229
Treasury	1.47%	\$85,635	\$157,829	\$72,194
Total		\$10,355,144	\$10,721,050	\$365,906

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for CORE Operations						
Department	Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$104,575	\$28,221	\$2,680	\$22,298	\$0	\$3,243
Corrections	\$412,815	-\$198,306	-\$174,965	-\$11,184	-\$12,157	\$0
Education	\$288,258	\$80,552	\$30,588	\$10,086	\$113,705	-\$73,827
Governor's Office	\$377,948	\$203,247	\$14,539	\$14,937	\$158,713	\$15,058
Health Care Policy and Financin	\$1,446,417	-\$151,750	-\$70,197	-\$36,793	\$0	-\$44,760
Higher Education	\$161,859	\$66,139	\$0	\$9,944	\$56,195	\$0
Human Services	\$1,330,995	-\$336,392	-\$181,053	-\$4,012	-\$10,668	-\$140,659
Judicial Branch *	\$874,207	-\$745,217	-\$745,217	\$0	\$0	\$0
Labor And Employment	\$315,204	\$10,982	\$0	\$4,486	\$0	\$6,496
Law (Attorney General's Office)	\$63,718	\$4,643	\$4,297	\$254	\$0	\$92
Legislative Branch *	\$39,486	\$11,437	\$11,437	\$0	\$0	\$0
Local Affairs	\$476,562	\$76,941	\$0	\$0	\$76,941	\$0
Military and Veterans Affairs	\$53,899	-\$11,321	\$0	\$0	\$0	-\$11,321
Natural Resources	\$2,664,588	\$940,756	\$146,990	\$804,567	\$42,804	-\$53,605
Personnel & Administration	\$309,170	-\$92,118	-\$25,014	-\$22,812	-\$44,292	\$0
Public Health and Environment	\$579,054	\$224,887	\$0	\$0	\$224,887	\$0
Public Safety	\$301,003	\$38,548	\$30,331	\$25,094	-\$16,877	\$0
Regulatory Agencies	\$165,170	-\$21,750	-\$444	-\$19,372	-\$1,178	-\$756
Revenue	\$431,083	\$133,786	\$53,287	\$80,499	\$0	\$0
State *	\$16,228	-\$803	\$0	-\$803	\$0	\$0
Transportation	\$150,982	\$31,229	\$0	\$31,229	\$0	\$0
Treasury *	\$157,829	\$72,194	\$32,487	\$39,707	\$0	\$0
TOTAL	\$10,721,050	\$365,905	-\$870,254	\$948,125	\$588,073	-\$300,039

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above

VEHICLE LEASE PAYMENTS

This line item includes the costs agencies experience from vehicle lease-purchase loan payments, plus a management fee collected by DPA. These costs represent fixed costs for State vehicles. Depending on the length of the lease-purchase agreement and the replacement policy for State fleet vehicles, departments' Vehicle Lease Payments appropriations are adjusted annually. If warranted, these incremental base adjustments are addressed through a decision item prepared by DPA.

The Vehicle Lease Payments line item does not include the variable costs for State fleet vehicles, which are also set by DPA. Variable costs include the cost of maintenance, fuel, and auto insurance for department operated vehicles. These costs are funded within an individual department's operating and/or program line items. Since these costs are appropriated within

individual departments, changes in funding needs for the variable costs will be addressed on a case-by-case basis unless a change is substantial enough to warrant a statewide request. If a statewide request is deemed appropriate, DPA will author the request with the corresponding input from affected agencies. For the November 1 Budget Submission for FY 2016-17 no request for variable vehicle costs has been submitted.

For FY 2016-17, the Department has submitted a funding request, R-03 Annual Fleet Vehicle Request, to replace 711 fleet vehicles (306 which are designated as potential compressed natural gas). This will require a decrease of \$393,052 in appropriated funds for all state agencies' Vehicle Lease Payment appropriations, and an increase of \$766,084 for the Department's Vehicle Replacement Lease, Purchase, or Lease/Purchase line item for FY 2016-17.

ADDITIONAL STATEWIDE OPERATING COMMON POLICIES

LEGAL SERVICES

This common policy represents the cost of purchasing legal services from the Department of Law. Funding for these purchases is appropriated to departments and corresponding spending authority is reflected as Reappropriated Funds in the appropriation for the Department of Law. For FY 2016-17, the Department of Law has increased its blended attorney/paralegal rate from \$95.01 to \$96.15 per hour for the November 1 submission. As a result, each department has requested a base adjustment representing a reduction from last year's rate to the new blended rate of \$96.15 per hour, calculated based on the number of legal services hours in the FY 2015-16 Long Bill (plus any hours appropriated by special bill, if applicable). If a department is requesting additional hours over their FY 2015-16 appropriated amounts, a decision item is required by the affected departments.

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for Legal Services					
Department	Base Adj.	GF	CF	RF	FF
Agriculture	\$5,305	\$1,781	\$3,344	\$0	\$180
Corrections	\$22,518	\$21,753	\$765	\$0	\$0
Education	\$6,920	\$3,171	\$3,749	\$0	\$0
Governor's Office	\$5,758	\$4,221	\$0	\$1,537	\$0
Health Care Policy and Financing	\$0	\$0	\$0	\$0	\$0
Higher Education	\$510	\$0	\$140	\$370	\$0
Human Services	\$21,021	\$20,063	\$958	\$0	\$0
Judicial Branch *	\$0	\$0	\$0	\$0	\$0
Labor And Employment	\$9,593	\$655	\$3,293	\$0	\$5,645
Law (Attorney General's Office)	\$0	\$0	\$0	\$0	\$0
Legislative Branch *	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$2,122	\$1,876	\$153	\$25	\$68
Military and Veterans Affairs	\$126	\$126	\$0	\$0	\$0
Natural Resources	\$0	\$0	\$0	\$0	\$0
Personnel & Administration	\$3,298	-\$2,468	\$516	\$5,250	\$0
Public Health and Environment	-\$25,178	-\$25,178	\$0	\$0	\$0
Public Safety	\$4,566	\$0	-\$99,740	\$104,306	\$0
Regulatory Agencies	\$125,268	\$2,481	\$119,374	\$1,242	\$2,171
Revenue	\$50,049	\$28,455	\$21,594	\$0	\$0
State *	\$6,042	\$0	\$6,042	\$0	\$0
Transportation	\$0	\$0	\$0	\$0	\$0
Treasury *	\$0	\$0	\$0	\$0	\$0
TOTAL	\$237,918	\$56,936	\$60,188	\$112,730	\$8,064

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

LEASED SPACE

The funding in this line item is for leased space outside of the Capitol Complex facilities. Each department is responsible for reviewing and managing its use of leased space. The specific budget action required in this area depends on circumstances facing the department.

If a department is planning to move into new space or expand square footage and the total projected funding need for all leased space costs is greater than the department's base appropriation, a decision item or supplemental is required. The decision item is submitted by the affected department and the request is not coordinated by DPA.

However, if a department projects a need for additional funding in the base appropriation for FY 2016-17, but the increase is driven by existing lease escalators and not new leases or expanded footage, no decision item has been submitted but the amounts should be reflected in a department's base budget. These amounts are outlined in this section.

FY 2016-17 DEPARTMENT FUNDING REQUESTS

Summary for Leased Space					
Department	Base Adj.	GF	CF	RF	FF
Agriculture	\$0	\$0	\$0	\$0	\$0
Corrections	\$367,893	\$358,045	\$9,848	\$0	\$0
Education	\$0	\$0	\$0	\$0	\$0
Governor's Office	\$24,000	\$0	\$0	\$24,000	\$0
Health Care Policy and Financing	\$0	\$0	\$0	\$0	\$0
Higher Education	\$10,652	\$0	\$2,130	\$8,522	\$0
Human Services	\$0	\$0	\$0	\$0	\$0
Judicial Branch *	\$45,062	\$45,062	\$0	\$0	\$0
Labor And Employment	\$114,940	\$0	\$64,772	\$0	\$50,168
Law (Attorney General's Office)	\$33,823	-\$18,575	\$7,489	\$44,661	\$248
Legislative Branch *	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$0	\$0	\$0	\$0	\$0
Military and Veterans Affairs	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$0	\$0	\$0	\$0	\$0
Personnel & Administration	\$0	\$0	\$2,795	-\$2,795	\$0
Public Health and Environment	\$148,245	\$0	\$0	\$148,245	\$0
Public Safety	\$0	\$0	\$0	\$0	\$0
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0	\$0
State *	\$82,528	\$0	\$82,528	\$0	\$0
Transportation	\$0	\$0	\$0	\$0	\$0
Treasury *	\$0	\$0	\$0	\$0	\$0
TOTAL	\$827,143	\$384,532	\$169,562	\$222,633	\$50,416

* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. The amounts included in this table represent the estimated need and fund splits were estimated based on the FY 2015-16 Long Bill.

Note: The table above only includes the base request for FY 2016-17. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.