



STATEWIDE COMMON POLICY REQUEST

NOVEMBER 1, 2017

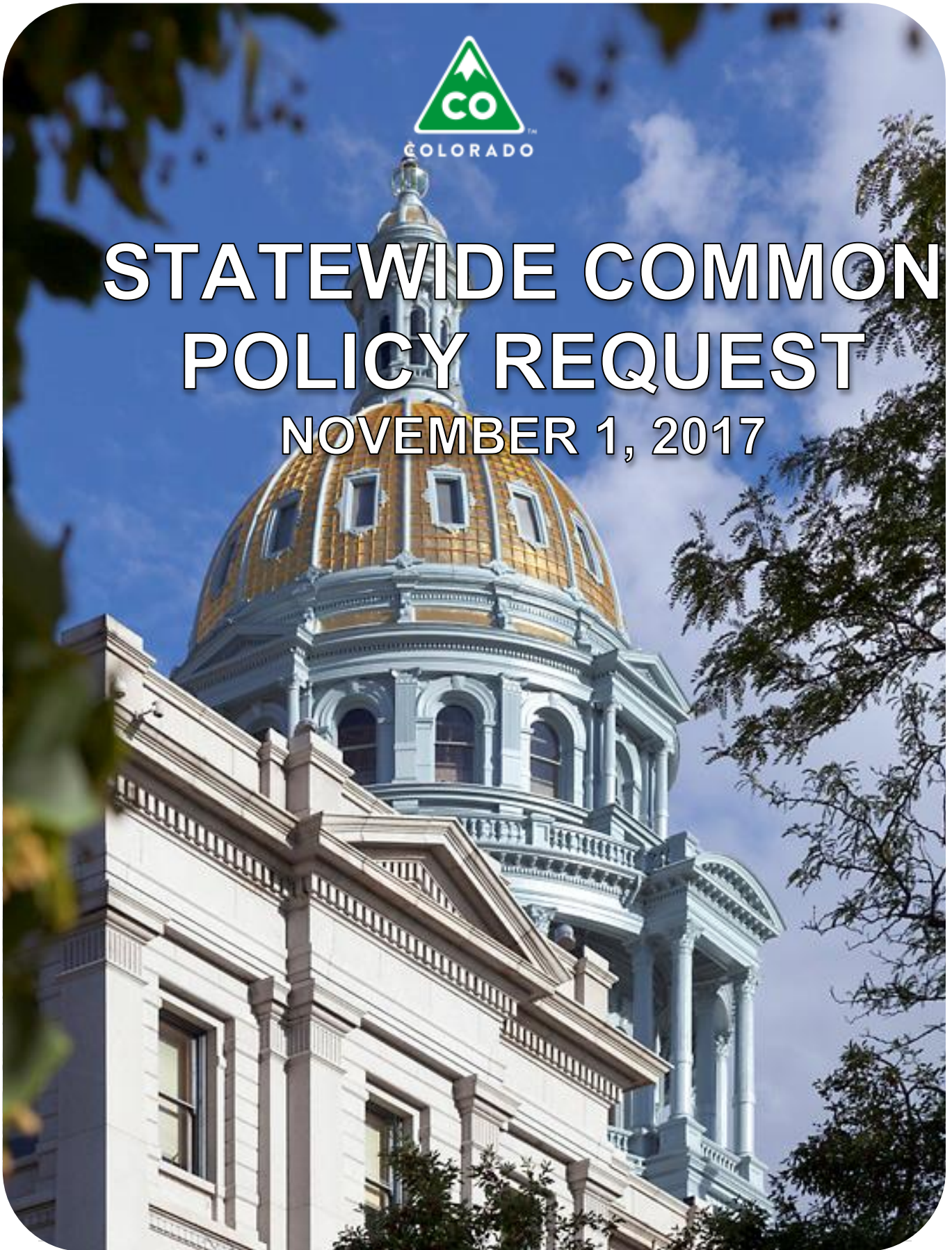


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COMMON POLICIES OVERVIEW

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 (DPA), 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 for services provided by DPA, separated into two general categories: 1) total compensation (or personal services) common policies, and 2) operating common policies.

For FY 2018-19, the Department of Personnel & Administration has prepared this document to summarize the statewide common policy request and calculation methodology in order 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. Total compensation information presented for non-executive agencies, including elected officials, 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 long bill group. 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.

TOTAL COMPENSATION CALCULATION DETAILS

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 are implemented at the beginning of each fiscal year – this ensures that the Department is using up-to-date information for the total compensation request. 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.

The following sections provide a detailed explanation for each total compensation common policy line item, and the corresponding request for FY 2018-19, 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.

Salary Range Adjustment

For FY 2018-19, the request includes a salary range adjustment of 2 percent for all occupational groups as recommended in the Annual Compensation Report. This adjustment will allow the State to keep pace with projected market increases and maintain a prevailing total compensation structure. Both the minimum and the maximum of the salary range will be increased by 2 percent. To the extent that these adjustments move an employee's salary below the range minimum, the associated funding has also been requested.

Statewide Pay-Rate Adjustment

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 2018-19, the Executive Branch is requesting a 3% percent Salary Survey funding increase for all state employees, base building up to the range maximum.**

System Maintenance Study

System maintenance studies represent a detailed comparison of state salaries to market salaries for a specific role. These studies are conducted to ensure that 1) job classes are grouped and paid appropriately; 2) to determine whether a class structure is current and adequate; 3) to ensure salary grades and relationships are appropriate; and 4) to determine whether specific classes should be revised, abolished or created. **For FY 2018-19, no system maintenance studies were conducted.**

Colorado State Patrol Trooper Evaluation

Pursuant to C.R.S. 24-50-104, the Colorado State Patrol Trooper classes are evaluated annually to ensure that the average salary of each class is equal to 99 percent of the actual average salary of the top three law enforcement agencies within the state that have both more than 100 commissioned officers and the highest actual average. The FY 2018-19 total compensation request for all trooper classifications includes a 3% salary survey increase.

FY 2018-19 SALARY SURVEY DEPARTMENT FUNDING REQUESTS

The following table reflects the Salary Survey request by department for FY 2018-19. This includes the 3% percent Salary Survey funding increase and the fiscal impact of the movement to minimum costs associated with the 2 percent salary range adjustment.

SUMMARY FOR SALARY SURVEY							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$ 305,289	\$ 552,511	\$ 552,511	\$ 181,459	\$ 371,052	\$ -	\$ -
Corrections	\$ 6,294,313	\$ 10,825,001	\$ 10,825,001	\$ 10,516,363	\$ 308,638	\$ -	\$ -
Education	\$ 869,349	\$ 1,474,713	\$ 1,474,713	\$ 515,668	\$ 214,113	\$ 161,344	\$ 583,588
Governor's Office	\$ 1,613,921	\$ 2,912,890	\$ 2,912,890	\$ 278,373	\$ 110,736	\$ 2,468,443	\$ 55,338
HCPF	\$ 614,974	\$ 1,203,861	\$ 1,203,861	\$ 453,147	\$ 67,167	\$ 29,534	\$ 654,013
Higher Education	\$ 246,605	\$ 439,884	\$ 439,884	\$ 25,408	\$ 236,023	\$ 78,666	\$ 99,787
Human Services	\$ 4,197,219	\$ 8,558,755	\$ 8,558,755	\$ 5,516,155	\$ 590,520	\$ 1,318,998	\$ 1,133,082
Judicial *	\$ 6,214,805	\$ 10,557,987	\$ 10,557,987	\$ 10,048,416	\$ 509,571	\$ -	\$ -
Labor and Employment	\$ 1,494,911	\$ 2,651,053	\$ 2,651,053	\$ 134,693	\$ 1,111,892	\$ 20,030	\$ 1,384,438
Law	\$ 808,565	\$ 1,389,030	\$ 1,389,030	\$ 395,407	\$ 159,570	\$ 798,184	\$ 35,869
Legislature *	\$ -	\$ 1,192,878	\$ 1,192,878	\$ 1,192,878	\$ -	\$ -	\$ -
Local Affairs	\$ 232,794	\$ 409,559	\$ 409,559	\$ 81,338	\$ 49,551	\$ 186,126	\$ 92,544
Military Affairs	\$ 162,021	\$ 276,353	\$ 276,353	\$ 101,574	\$ 4,553	\$ -	\$ 170,226
Natural Resources	\$ 2,063,897	\$ 3,633,789	\$ 3,633,789	\$ 576,986	\$ 2,853,030	\$ 112,625	\$ 91,148
Personnel and Administration	\$ 477,327	\$ 868,386	\$ 868,386	\$ 327,193	\$ 60,619	\$ 480,574	\$ -
Public Health	\$ 1,911,500	\$ 3,408,357	\$ 3,408,357	\$ 475,738	\$ 1,161,721	\$ 405,088	\$ 1,365,810
Public Safety	\$ 4,072,692	\$ 4,641,895	\$ 4,641,895	\$ 1,085,587	\$ 3,058,351	\$ 361,395	\$ 136,562
Regulatory Agencies	\$ 708,752	\$ 1,272,248	\$ 1,272,248	\$ 44,121	\$ 1,133,773	\$ 75,896	\$ 18,458
Revenue	\$ 1,444,882	\$ 2,582,782	\$ 2,582,782	\$ 1,083,134	\$ 1,496,461	\$ 3,187	\$ -
State	\$ 161,622	\$ 328,415	\$ 328,415	\$ -	\$ 328,415	\$ -	\$ -
Transportation	\$ 204,885	\$ 339,690	\$ 339,690	\$ -	\$ 339,690	\$ -	\$ -
Treasury	\$ 38,555	\$ 78,249	\$ 78,249	\$ 50,859	\$ 27,390	\$ -	\$ -
TOTAL	\$ 34,138,878	\$ 59,598,286	\$ 59,598,286	\$ 33,084,497	\$ 14,192,836	\$ 6,500,090	\$ 5,820,863

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above. Salary Survey base adjustment always reflects the total need since this appropriation is always zeroed out.

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 2018-19, the Executive Branch did not request funding for a statewide Merit Pay adjustment.**

SUMMARY FOR MERIT PAY							
De partment	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$128,166	\$0	\$0	\$0	\$0	\$0	\$0
Corrections	\$2,777,553	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$354,432	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Office	\$677,810	\$0	\$0	\$0	\$0	\$0	\$0
HCPF	\$291,490	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$89,872	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$1,889,255	\$0	\$0	\$0	\$0	\$0	\$0
Judicial *	\$2,033,432	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$677,814	\$0	\$0	\$0	\$0	\$0	\$0
Law	\$322,498	\$0	\$0	\$0	\$0	\$0	\$0
Legislature *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$96,785	\$0	\$0	\$0	\$0	\$0	\$0
Military Affairs	\$77,920	\$0	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$727,888	\$0	\$0	\$0	\$0	\$0	\$0
Personnel and Administration	\$203,377	\$0	\$0	\$0	\$0	\$0	\$0
Public Health	\$671,696	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety	\$956,942	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Agencies	\$299,867	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$646,030	\$0	\$0	\$0	\$0	\$0	\$0
State	\$61,746	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$84,517	\$0	\$0	\$0	\$0	\$0	\$0
Treasury	\$16,124	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$13,085,214	\$0	\$0	\$0	\$0	\$0	\$0

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above. Merit Pay base adjustment always reflects the total need since this appropriation is always zeroed out.

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 2018-19 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 2018-19.

FY 2018-19 SHIFT DIFFERENTIAL DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHIFT DIFFERENTIAL							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corrections	\$8,125,195	\$8,070,903	(\$54,292)	(\$69,955)	\$15,663	\$0	\$0
Education	\$114,584	\$120,452	\$5,868	\$11,310	\$33	(\$5,475)	\$0
Governor's Office	\$92,356	\$99,153	\$6,797	\$0	\$0	\$6,797	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$5,391,384	\$6,742,501	\$1,351,117	\$716,243	\$131,153	(\$430,870)	\$934,591
Judicial *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$13,339	\$0	(\$13,339)	\$0	\$0	\$0	(\$13,339)
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	\$27,954	\$31,196	\$3,242	\$0	\$0	\$0	\$3,242
Natural Resources	\$42,863	\$41,331	(\$1,532)	\$0	(\$1,532)	\$0	\$0
Personnel and Administration	\$43,735	\$47,086	\$3,351	\$0	\$0	\$3,351	\$0
Public Health	\$27,437	\$24,443	(\$2,994)	(\$1,156)	\$921	\$0	(\$2,759)
Public Safety	\$529,250	\$512,910	(\$16,340)	(\$19,609)	\$39,818	(\$36,740)	\$191
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$130,712	\$126,584	(\$4,128)	(\$1,273)	(\$2,855)	\$0	\$0
State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$23,490	\$27,275	\$3,785	\$0	\$4,668	(\$883)	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$14,562,299	\$15,843,834	\$1,281,535	\$635,560	\$187,869	(\$463,820)	\$921,926

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

SHIFT DIFFERENTIAL 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.

Shift Differential Calculation Detail - Revised Base Salary	
Department Base Salary	\$500,000
+ Base Building Salary Survey (\$500,000*2%)	\$10,000
= New Salary	\$510,000
+ Base Building Merit Pay (\$510,000*0.0%)	\$0
= Total Base Salary FY 2018-19	\$510,000
+ Shift Differential Actual FY 2016-17	\$100,000
= Department Revised Base Salary for FY 2018-19	\$610,000

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 2018-19 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 (SAED, described in the next section).

Calendar Year	State PERA Contribution	AED Contribution	SAED Contribution	Total State Contribution
2010	10.15%	2.20%	1.50%	13.85%
2011	10.15%	2.60%	2.00%	14.75%
2012	10.15%	3.00%	2.50%	15.65%
2013	10.15%	3.40%	3.00%	16.55%
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%
2018	10.15%	5.00%	5.00%	20.15%
2019	10.15%	5.00%	5.00%	20.15%

AED CALCULATION DETAIL

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 2018-19, the blended rate is 5.0 percent of revised base salaries. The AED rate for the Judicial department is equal to the 2010 calendar year rate until December 31, 2018, pursuant to C.R.S. 24-51-411 (4). Under House Bill 17-1265, beginning January 1, 2019, the Judicial AED rate will increase to 3.4 percent. For FY 2018-19, the blended rate for Judicial is 2.8 percent. The AED calculation is described below:

Calculation Detail - AED	
Department Revised Base Salary	\$610,000
AED @ 5.0%	\$610,000*5.0%
= Requested AED Appropriation	\$30,500

FY 2018-19 AED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR AED							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$801,012	\$849,881	\$48,869	\$37,742	\$18,901	\$0	(\$7,774)
Corrections	\$16,892,514	\$16,796,779	(\$95,735)	(\$119,622)	\$23,887	\$0	\$0
Education	\$2,285,634	\$2,273,850	(\$11,784)	(\$17,481)	\$21,495	\$54	(\$15,852)
Governor's Office	\$4,236,421	\$4,472,662	\$236,241	\$97,618	(\$18,212)	\$116,034	\$40,801
HCPF	\$1,615,047	\$1,851,815	\$236,768	\$96,626	(\$30,303)	\$7,401	\$163,044
Higher Education	\$611,920	\$676,645	\$64,725	\$21,704	\$16,616	\$1,850	\$24,555
Human Services	\$11,255,675	\$13,438,017	\$2,182,342	\$1,042,885	\$541,331	\$33,521	\$564,605
Judicial *	\$13,603,231	\$14,649,326	\$1,046,095	\$860,395	\$185,700	\$0	\$0
Labor and Employment	\$3,922,337	\$4,077,933	\$155,596	(\$14,563)	\$296,423	\$613	(\$126,877)
Law	\$2,074,232	\$2,122,985	\$48,753	\$51,084	\$2,378	(\$14,689)	\$9,980
Legislature *	\$1,335,047	\$1,317,923	(\$17,124)	(\$17,124)	\$0	\$0	\$0
Local Affairs	\$610,754	\$629,996	\$19,242	(\$5,943)	(\$2,713)	\$13,303	\$14,595
Military Affairs	\$426,805	\$425,625	(\$1,180)	\$7,656	\$2,806	\$0	(\$11,642)
Natural Resources	\$5,410,905	\$5,591,406	\$180,501	\$8,034	\$157,110	\$25,349	(\$9,992)
Personnel and Administration	\$1,254,045	\$1,337,889	\$83,844	\$57,514	\$8,823	\$17,507	\$0
Public Health	\$5,013,631	\$5,218,186	\$204,555	\$128,402	\$42,351	\$53,289	(\$19,487)
Public Safety	\$6,529,521	\$7,060,602	\$531,081	\$117,171	\$307,276	\$130,217	(\$23,583)
Regulatory Agencies	\$1,859,709	\$1,957,010	\$97,301	(\$191)	\$70,713	\$6,592	\$20,187
Revenue	\$3,797,608	\$3,978,588	\$180,980	\$40,916	\$139,656	\$408	\$0
State	\$420,997	\$490,150	\$69,153	\$0	\$69,153	\$0	\$0
Transportation	\$538,556	\$523,742	(\$14,814)	\$0	\$3,746	(\$18,560)	\$0
Treasury	\$102,409	\$105,337	\$2,928	(\$444)	\$3,372	\$0	\$0
TOTAL	\$84,598,010	\$89,846,347	\$5,248,337	\$2,392,379	\$1,860,509	\$372,889	\$622,560

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. 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.

SAED CALCULATION DETAIL

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 2018-19, the blended percentage contribution is 5.0 percent of revised base salaries. The SAED rate for the Judicial department is equal to the 2010 calendar year rate until December 31, 2018, pursuant to C.R.S. 24-51-411 (7). Under House Bill 17-1265, beginning January 1, 2019, the Judicial SAED rate will increase to 3.4 percent. For FY 2018-19, the blended rate for Judicial is 2.45 percent. The SAED calculation is described below:

Calculation Detail - SAED	
Department Revised Base Salary	\$610,000
SAED @ 5.0%	\$610,000*5.0%
= Requested SAED Appropriation	\$30,500

FY 2018-19 SAED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SAED							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$801,012	\$849,881	\$48,869	\$37,742	\$18,901	\$0	(\$7,774)
Corrections	\$16,892,514	\$16,796,779	(\$95,735)	(\$119,622)	\$23,887	\$0	\$0
Education	\$2,285,634	\$2,273,850	(\$11,784)	(\$17,481)	\$21,495	\$54	(\$15,852)
Governor's Office	\$4,236,421	\$4,472,662	\$236,241	\$97,618	(\$18,212)	\$116,034	\$40,801
HCPF	\$1,615,047	\$1,851,815	\$236,768	\$96,626	(\$30,303)	\$7,401	\$163,044
Higher Education	\$611,920	\$676,645	\$64,725	\$21,704	\$16,616	\$1,850	\$24,555
Human Services	\$11,255,675	\$13,438,017	\$2,182,342	\$1,042,885	\$541,331	\$33,521	\$564,605
Judicial *	\$13,196,975	\$14,440,982	\$1,244,007	\$1,057,158	\$186,849	\$0	\$0
Labor and Employment	\$3,922,337	\$4,077,933	\$155,596	(\$14,563)	\$296,423	\$613	(\$126,877)
Law	\$2,074,232	\$2,122,985	\$48,753	\$51,084	\$2,378	(\$14,689)	\$9,980
Legislature *	\$1,335,047	\$1,317,923	(\$17,124)	(\$17,124)	\$0	\$0	\$0
Local Affairs	\$610,754	\$629,996	\$19,242	(\$5,943)	(\$2,713)	\$13,303	\$14,595
Military Affairs	\$426,805	\$425,625	(\$1,180)	\$7,656	\$2,806	\$0	(\$11,642)
Natural Resources	\$5,410,905	\$5,591,406	\$180,501	\$8,034	\$157,110	\$25,349	(\$9,992)
Personnel and Administration	\$1,254,045	\$1,337,889	\$83,844	\$57,514	\$8,823	\$17,507	\$0
Public Health	\$5,013,631	\$5,218,186	\$204,555	\$128,402	\$42,351	\$53,289	(\$19,487)
Public Safety	\$6,529,521	\$7,060,602	\$531,081	\$117,171	\$307,276	\$130,217	(\$23,583)
Regulatory Agencies	\$1,859,709	\$1,957,010	\$97,301	(\$191)	\$70,713	\$6,592	\$20,187
Revenue	\$3,797,608	\$3,978,588	\$180,980	\$40,916	\$139,656	\$408	\$0
State	\$420,997	\$490,150	\$69,153	\$0	\$69,153	\$0	\$0
Transportation	\$538,556	\$523,742	(\$14,814)	\$0	\$3,746	(\$18,560)	\$0
Treasury	\$102,409	\$105,337	\$2,928	(\$444)	\$3,372	\$0	\$0
TOTAL	\$84,191,754	\$89,638,003	\$5,446,249	\$2,589,142	\$1,861,658	\$372,889	\$622,560

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. 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 insurance benefit. This benefit is calculated on an annual basis. For FY 2018-19, the Executive Branch requests short-term disability funding at 0.17 percent of revised base salaries.

STD CALCULATION DETAIL

The amount required for each department is a product of the department's revised base salary and 0.17 percent requested by the Executive Branch as shown in the table below.

Calculation Detail - STD	
Department Revised Base Salary	\$610,000
STD @ 0.17%	\$610,000*0.17%
= Requested STD Appropriation	\$1,037

FY 2018-19 STD DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHORT-TERM DISABILITY							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$28,763	\$27,369	(\$1,394)	\$329	(\$1,444)	\$0	(\$279)
Corrections	\$628,089	\$558,028	(\$70,061)	(\$69,010)	(\$1,051)	\$0	\$0
Education	\$80,504	\$73,221	(\$7,283)	(\$3,022)	(\$236)	(\$749)	(\$3,276)
Governor's Office	\$160,652	\$151,163	(\$9,489)	\$2,025	(\$1,423)	(\$11,231)	\$1,140
HCPF	\$58,060	\$60,583	\$2,523	\$1,217	(\$1,421)	\$120	\$2,607
Higher Education	\$22,152	\$22,945	\$793	\$647	(\$68)	(\$264)	\$478
Human Services	\$415,157	\$441,640	\$26,483	\$4,524	\$16,561	(\$7,202)	\$12,600
Judicial *	\$468,419	\$446,369	(\$22,050)	(\$25,731)	\$3,681	\$0	\$0
Labor and Employment	\$147,847	\$138,177	(\$9,670)	(\$1,339)	\$4,643	(\$94)	(\$12,880)
Law	\$78,820	\$72,182	(\$6,638)	(\$437)	(\$891)	(\$5,469)	\$159
Legislature *	\$45,680	\$40,907	(\$4,773)	(\$4,773)	\$0	\$0	\$0
Local Affairs	\$22,366	\$20,857	(\$1,509)	(\$659)	(\$368)	(\$523)	\$41
Military Affairs	\$15,565	\$14,114	(\$1,451)	(\$235)	\$79	\$0	(\$1,295)
Natural Resources	\$182,489	\$168,774	(\$13,715)	(\$2,857)	(\$10,254)	\$244	(\$848)
Personnel and Administration	\$46,335	\$44,575	(\$1,760)	\$287	(\$12)	(\$2,035)	\$0
Public Health	\$185,120	\$174,418	(\$10,702)	\$2,190	(\$4,668)	(\$182)	(\$8,042)
Public Safety	\$244,718	\$236,555	(\$8,163)	(\$2,718)	(\$6,372)	\$2,729	(\$1,802)
Regulatory Agencies	\$70,408	\$65,876	(\$4,532)	(\$291)	(\$4,646)	(\$239)	\$644
Revenue	\$144,085	\$135,074	(\$9,011)	(\$5,122)	(\$3,885)	(\$4)	\$0
State	\$15,998	\$16,042	\$44	\$0	\$44	\$0	\$0
Transportation	\$20,425	\$17,765	(\$2,660)	\$0	(\$1,957)	(\$703)	\$0
Treasury	\$3,720	\$3,446	(\$274)	(\$252)	(\$22)	\$0	\$0
TOTAL	\$3,085,372	\$2,930,080	(\$155,292)	(\$105,227)	(\$13,710)	(\$25,602)	(\$10,753)

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The Short-Term Disability table on page 10 only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers within this table.

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 if necessary, the Department may submit a FY 2018-19 budget amendment with revised figures in January 2018. The request amounts shown for HLD should be considered a placeholder for the future budget amendment.

For the FY 2018-19 total compensation request, the estimated health contribution rates represent the total combined potential premium increase to both employer and employee contributions. The following table shows the placeholder amounts that are included in the November 1 request for FY 2018-19 for Health, Life and Dental.

FY 2018-19 Health and Dental Monthly State Contributions by Tier and Plan					
Plan	Tier	Tier Description	Health	Dental	Life
United Healthcare HDHP	1	Employee	\$526.25	\$25.92	\$9.02
	2	Employee + Spouse	\$989.73	\$42.62	\$9.02
	3	Employee + Child(ren)	\$979.99	\$46.44	\$9.02
	4	Family	\$1,395.73	\$62.22	\$9.02
United Healthcare Co-Pay	1	Employee	\$530.47	\$25.92	\$9.02
	2	Employee + Spouse	\$998.59	\$42.62	\$9.02
	3	Employee + Child(ren)	\$988.01	\$46.44	\$9.02
	4	Family	\$1,408.39	\$62.22	\$9.02
Kaiser Permanente HDHP	1	Employee	\$469.06	\$25.92	\$9.02
	2	Employee + Spouse	\$879.67	\$42.62	\$9.02
	3	Employee + Child(ren)	\$871.39	\$46.44	\$9.02
	4	Family	\$1,239.63	\$62.22	\$9.02
Kaiser Permanente Co-Pay	1	Employee	\$531.05	\$25.92	\$9.02
	2	Employee + Spouse	\$1,007.97	\$42.62	\$9.02
	3	Employee + Child(ren)	\$987.50	\$46.44	\$9.02
	4	Family	\$1,422.24	\$62.22	\$9.02

HLD CALCULATION DETAIL

The budget request is based on employee health and dental elections by tier and by plan as of July 2017. The example below shows an employee enrolled in United Healthcare's High Deductible Health Plan tier one for health benefits and the basic dental tier one 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 (United Healthcare - HDHP)	\$526.25
+ Tier 1 Dental (Basic)	\$25.92
+ Life	\$9.02
= Monthly State HLD Contribution Request (one employee)	\$561.19

FY 2018-19 HLD DEPARTMENT FUNDING REQUESTS

SUMMARY FOR HEALTH LIFE DENTAL							
Department	FY 2017-18 Appropriation	FY 2018-19 Total Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$2,409,997	\$2,712,303	\$302,306	\$133,728	\$183,112	\$0	(\$14,534)
Corrections	\$54,108,968	\$55,775,526	\$1,666,558	\$1,556,187	\$110,372	\$0	\$0
Education	\$5,180,585	\$5,446,454	\$265,869	\$65,522	\$108,823	\$14,211	\$77,313
Governor's Office	\$9,678,425	\$10,410,864	\$732,439	\$415,970	(\$42,525)	\$299,372	\$59,622
HCPF	\$3,637,126	\$4,639,956	\$1,002,830	\$367,755	(\$46,802)	\$31,500	\$650,378
Higher Education	\$1,872,206	\$2,294,305	\$422,099	\$140,070	\$191,667	(\$243)	\$90,604
Human Services	\$35,626,745	\$44,447,022	\$8,820,277	\$2,911,907	\$3,083,723	\$188,472	\$2,636,176
Judicial *	\$40,498,042	\$43,543,449	\$3,045,407	\$2,911,334	\$134,073	\$0	\$0
Labor and Employment	\$10,787,604	\$11,709,546	\$921,942	\$12,989	\$886,396	\$13,851	\$8,707
Law	\$4,100,333	\$4,489,835	\$389,502	\$88,761	\$122,845	\$137,412	\$40,485
Legislature *	\$3,114,086	\$3,116,175	\$2,089	\$2,089	\$0	\$0	\$0
Local Affairs	\$1,616,584	\$1,670,124	\$53,540	(\$15,168)	\$6,582	\$48,261	\$13,865
Military Affairs	\$1,099,477	\$1,066,655	(\$32,822)	\$31,614	\$4,049	\$0	(\$68,485)
Natural Resources	\$14,157,819	\$15,155,330	\$997,511	\$151,160	\$812,074	\$59,443	(\$25,167)
Personnel and Administration	\$3,524,252	\$3,748,027	\$223,775	\$130,553	\$59,417	\$33,806	\$0
Public Health	\$11,622,144	\$12,741,224	\$1,119,080	\$321,810	\$338,029	\$278,444	\$180,797
Public Safety	\$16,299,944	\$18,259,698	\$1,959,754	\$428,393	\$1,173,121	\$391,434	(\$33,194)
Regulatory Agencies	\$4,591,610	\$4,959,138	\$367,528	(\$12,446)	\$294,806	\$34,734	\$50,433
Revenue	\$11,848,685	\$12,533,050	\$684,365	\$372,860	\$316,978	(\$5,473)	\$0
State	\$1,006,113	\$1,215,553	\$209,440	\$0	\$209,440	\$0	\$0
Transportation	\$1,332,161	\$1,320,728	(\$11,433)	\$0	\$49,573	(\$61,007)	\$0
Treasury	\$298,256	\$309,908	\$11,652	\$22,720	(\$11,068)	\$0	\$0
TOTAL	\$238,411,162	\$261,564,869	\$23,153,706	\$10,037,807	\$7,984,685	\$1,464,216	\$3,666,998

*Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office; agencies that did not submit budget proposals have been included and the estimated need and fund splits are based on the FY 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. 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 long bill group. DPA's appropriation reflects corresponding Reappropriated Funds spending authority in order to spend the moneys received from billing other agencies 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 2018-19. 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 2018-19 ADMINISTRATIVE LAW JUDGE ESTIMATED COSTS

For FY 2018-19, 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 2018-19.

The descriptions and table below provide the amount and rationale behind each of the request components and outlines 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 completed fiscal year.

FY 2018-19 Administrative Law Judge Request		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
Personal Services	\$3,747,811	\$3,870,332
Total Compensations Common Policies	\$668,928	\$711,804
Operating and OIT Common Policies	\$964,065	\$868,674
Operating Expenses	\$202,439	\$164,439
Indirect Costs	\$194,278	\$194,278
Salary Survey and Merit Expense	\$0	\$0
Fund Balance Adjustment	(\$31,365)	(\$112,323)
Total	\$5,746,156	\$5,697,204

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay, if any.

- **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 2018-19.
- **Fund Balance Adjustment:** The fund balance adjustment is the mechanism by which the Department adjusts rates up or down to address any over/under collection from previous fiscal years. For the ALJ fund balance adjustment, eight and a quarter percent of base expenditures is requested as a reserve. The table below shows the calculation of the fund balance adjustment:

FY 2018-19 Administrative Law Judge Fund Balance Projection	
Description	Amount
Final Fund Balance - FY17 Projected	\$615,106
Projected FY18 Revenue	\$5,746,156
Projected FY18 Expense	\$5,900,042
Final Fund Balance - FY18 Proj.	\$461,220
FY19 - Personal Services	\$3,870,332
FY18 - Operating	\$164,439
FY18 - Indirect Costs	\$194,278
FY18 - Total Expenditure Base	\$4,229,049
Targeted Fund Bal - 8.25% of Exp Base	\$348,897
Addition / (Reduction) Required to Reach Target	(\$112,323)

ADMINISTRATIVE LAW JUDGE 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 2018-19 Administrative Law Judge Request table) and allocates the cost proportionally by department, according to the prior fiscal year's actual ALJ Services usage.

FY 2018-19 Administrative Law Judge Service Allocations for State Agencies				
Department	FY 2016-17 Utilization	FY 2018-19 Request	FY 2017-18 Appropriation	FY 2018-19 Incremental Need
Department of Agriculture	0.13%	\$7,137	\$4,963	\$2,174
Department of Corrections	0.00%	\$0	\$0	\$0
Department of Education	3.70%	\$210,726	\$252,579	(\$41,853)
Office of the Governor	0.00%	\$0	\$0	\$0
Department of Health Care Policy & Finance	10.47%	\$596,700	\$647,622	(\$50,922)
Department of Higher Education	0.02%	\$1,296	\$7,982	(\$6,686)
Department of Human Services	10.86%	\$618,993	\$652,018	(\$33,025)
Judicial	0.00%	\$0	\$0	\$0
Department of Labor and Employment	64.44%	\$3,671,550	\$3,774,323	(\$102,773)
Department of Law	0.10%	\$5,803	\$7,819	(\$2,016)
Legislature	0.00%	\$0	\$0	\$0
Department of Local Affairs	0.00%	\$0	\$0	\$0
Department of Military Affairs	0.00%	\$0	\$0	\$0
Department of Natural Resources	0.01%	\$563	\$0	\$563
Department of Personnel and Administration	0.05%	\$2,874	\$11,506	(\$8,632)
Department of Public Health & Environment	0.77%	\$43,610	\$49,790	(\$6,180)
Department of Public Safety	0.00%	\$0	\$0	\$0
Department of Regulatory Agencies	6.95%	\$395,778	\$242,917	\$152,861
Department of Revenue	0.07%	\$4,207	\$11,303	(\$7,096)
Department of State	2.41%	\$137,498	\$79,557	\$57,941
Department of Transportation	0.01%	\$469	\$2,670	(\$2,201)
Department of Treasury	0.00%	\$0	\$0	\$0
TOTAL	100.00%	\$5,697,204	\$5,745,049	(\$47,845)

FY 2018-19 ADMINISTRATIVE LAW JUDGE DEPARTMENT FUNDING REQUESTS

Summary of FY 2018-19 Base Request for Administrative Law Judge						
Department	FY 2018-19 Request	FY 2018-19 Total Base Adj	GF	CF	RF	FF
Agriculture	\$7,137	\$2,174	\$0	\$2,174	\$0	\$0
Education	\$210,726	(\$41,853)	\$0	(\$34,629)	(\$7,224)	\$0
Health Care Policy and Financing	\$596,700	(\$50,922)	(\$18,450)	(\$5,245)	(\$1,856)	(\$25,371)
Higher Education	\$1,296	(\$6,686)	\$0	(\$6,686)	\$0	\$0
Human Services	\$618,993	(\$33,025)	(\$17,834)	\$0	(\$15,191)	\$0
Labor and Employment	\$3,671,550	(\$102,773)	(\$243)	(\$101,908)	\$0	(\$622)
Law	\$5,803	(\$2,016)	\$0	(\$2,016)	\$0	\$0
Natural Resources	\$563	\$563	\$0	\$563	\$0	\$0
Personnel and Administration	\$2,874	(\$8,632)	\$0	(\$8,632)	\$0	\$0
Public Health and Environment	\$43,610	(\$6,180)	\$0	\$0	(\$6,180)	\$0
Regulatory Agencies	\$395,778	\$152,861	\$7,011	\$145,850	\$0	\$0
Revenue	\$4,207	(\$7,096)	\$0	(\$7,096)	\$0	\$0
State	\$137,498	\$57,941	\$0	\$57,941	\$0	\$0
Transportation	\$469	(\$2,201)	\$0	(\$2,201)	\$0	\$0
TOTAL	\$5,697,204.00	(\$47,845)	(\$29,516)	\$38,115	(\$30,451)	(\$25,993)

Note: The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above. Fund Splits have been estimated based on the FY 2017-18 Long Bill

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 2018-19 WORKERS' COMPENSATION ESTIMATED COSTS

Calculation Methodology

Each year, the Department contracts with an actuary to estimate two primary components of 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's 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 2018-19					
Description	FY 2017-18 Appropriation	FY 2018-19 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	40.8%	12.8%	46.4%
Personal Services	\$767,321	\$767,321	\$313,360	\$97,858	\$356,103
Total Compensation Common Policies	\$163,201	\$182,978	\$74,725	\$23,336	\$84,918
Operating and OIT Common Policies	\$212,591	\$163,000	\$66,566	\$20,788	\$75,646
Operating Expenses	\$62,539	\$62,539	\$25,540	\$7,976	\$29,023
Indirect Costs	\$214,251	\$214,251	\$87,496	\$27,324	\$99,431
Total Program Overhead	\$1,419,903	\$1,390,089	\$567,687	\$177,281	\$645,121

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay, if any.
- **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 2018-19.

Program and Policy Costs

The following table details the Workers’ Compensation program and policy costs for FY 2018-19, including the overhead expenses as determined above in the Calculation of Program Overhead for FY 2018-19 table.

Workers' Compensation Program and Policy Costs		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
(C) Risk Management Services		
Program Overhead Expenses	\$670,194	\$645,121
Actuarial and Broker Services	\$37,500	\$37,500
RMIS Service Fees	\$64,434	\$64,434
Total Risk Management Program Administration	\$772,128	\$747,055
(4) Workers' Compensation		
Workers' Compensation Claims	\$35,712,576	\$36,319,344
Workers' Compensation TPA Fees and Loss Control	\$2,450,000	\$2,450,000
TPA Fees	\$2,400,000	\$2,400,000
Loss Control Incentives	\$50,000	\$50,000
Total Workers' Compensation Excess Policy	\$751,657	\$781,639
Excess Policy	\$599,657	\$629,639
CDLE Permit	\$2,000	\$2,000
CDLE Surcharge	\$150,000	\$150,000
Workers' Compensation Legal Services	\$2,380,838	\$2,318,256
DHS Prior Year Claim Payouts	\$80,000	\$80,000
Adjustment to Targeted Fund Balance	(\$7,363,341)	(\$3,906,413)
Total Workers' Compensation Allocations	\$34,783,858	\$38,789,881

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 its tracking system.
- **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 2018-19 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 2018-19, the Department requests a reserve balance of five percent of the total projected expenditures from the Workers’ Compensation Fund, plus ten percent of the prospective claims payouts.

Workers’ Compensation Fund Balance Adjustment	
FY 2016-17 End-of-Year Fund Balance	17,036,503
FY 2017-18 Expenditure Estimate	(42,147,199)
FY 2017-18 Agency Billings	34,783,858
FY 2018-19 Estimated End-of-Year Fund Balance	9,673,162
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2018-19	5,766,749
Increase / (Decrease) to Common Policy Request	(\$3,906,413)

WORKERS’ COMPENSATION 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 Department of Human Services request includes a prior year claim amount each fiscal year in addition to the amount from the actuarial study to cover institutions not originally covered by Pinnacle Assurance. The following tables show the allocated percentages as well as the total amount allocated to each department or institution for FY 2018-19.

FY 2018-19 Workers' Compensation Allocations for All State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	0.6510%	\$252,522
Corrections	CO	19.1210%	\$7,417,013
Education	ED	1.3390%	\$519,397
Governor's Office	EX	1.1580%	\$449,187
Health Care Policy & Finance	HC	0.2550%	\$98,914
Higher Education	HE	9.6730%	\$3,752,145
Human Services	HS		
Cost Allocation Share		25.5270%	\$9,821,893
Prior Year Claims			\$80,000
<i>Human Services subtotal</i>			<i>\$9,901,893</i>
Judicial	JD	4.7170%	\$1,829,719
Labor & Employment	LA	2.3000%	\$892,168
Law	LW	0.4890%	\$189,683
Legislature	LE	0.0700%	\$27,153
Local Affairs	LO	0.3920%	\$152,057
Military Affairs	MA	0.3960%	\$153,608
Natural Resources	NR	4.0100%	\$1,555,474
Personnel	GS	0.8930%	\$346,394
Public Health	PH	1.4990%	\$581,460
Public Safety	PS	8.2600%	\$3,204,044
Regulatory Agencies	RG	0.4960%	\$192,398
Revenue	RV	2.7990%	\$1,085,728
Secretary of State	ST	0.0830%	\$32,195
Transportation	HI	15.8670%	\$6,154,790
Treasury	TR	0.0050%	\$1,939
Allocation Totals		100.00%	\$38,789,881

FY 2018-19 Workers' Compensation Allocations for Higher Education			
Agency	Code	% Allocation	\$ Base Allocation
Arapahoe Community College	AR	3.234%	\$121,344
Auraria Higher Education Center	AU	5.291%	\$198,526
College Access Network	GL	0.252%	\$9,455
College Invest	OB	0.268%	\$10,056
Colorado Commission on Higher Education	HE	0.926%	\$34,745
Colorado State University - Pueblo	SC	10.880%	\$408,233
Community College of Aurora	CA	3.545%	\$133,014
Community College System	CC	3.795%	\$142,394
CSU - Global	CG	0.857%	\$32,156
Denver Community College	CD	5.327%	\$199,877
Front Range Community College	FR	12.240%	\$459,263
History Colorado	HS	1.161%	\$43,562
Lamar Community College	LA	1.857%	\$69,677
Metropolitan State University of Denver	ME	11.960%	\$448,757
Morgan Community College	MO	1.385%	\$51,967
Northeastern Junior College	NE	1.885%	\$70,728
Northwestern Community College	NW	1.413%	\$53,018
Otero Junior College	OT	3.280%	\$123,070
Pikes Peak Community College	PP	11.349%	\$425,830
Private Occupational	PS	0.055%	\$2,064
Pueblo Community College	PV	6.289%	\$235,972
Red Rocks Community College	RR	8.526%	\$319,908
Trinidad State Junior College	TR	4.225%	\$158,529
Allocation Totals		100.00%	\$3,752,145

FY 2018-19 WORKERS' COMPENSATION DEPARTMENT FUNDING REQUESTS

Summary for Workers' Compensation							
Department	FY 2017-18 Appropriation	FY 2018- 19 Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$235,986	\$252,522	\$16,536	\$2,347	\$14,189	\$0	\$0
Corrections	\$6,857,483	\$7,417,013	\$559,530	\$541,849	\$17,681	\$0	\$0
Education	\$506,676	\$519,397	\$12,721	\$5,682	\$1,660	\$860	\$4,519
Governor's Office	\$579,862	\$449,187	(\$130,675)	(\$13,310)	\$0	(\$117,365)	\$0
Health Care Policy & Finance	\$65,937	\$98,914	\$32,977	\$11,949	\$3,396	\$1,202	\$16,430
Higher Education	\$3,296,867	\$3,752,145	\$455,278	\$0	\$318,694	\$136,584	\$0
Human Services	\$8,596,146	\$9,821,893	\$1,225,747	\$661,903	\$0	\$563,844	\$0
Judicial	\$1,471,444	\$1,829,719	\$358,275	\$358,275	\$0	\$0	\$0
Labor & Employment	\$617,729	\$892,168	\$274,439	\$23,299	\$108,479	\$3,504	\$139,157
Law	\$128,404	\$189,683	\$61,279	\$17,147	\$8,220	\$34,317	\$1,595
Legislature *	\$17,352	\$27,153	\$9,801	\$9,801	\$0	\$0	\$0
Local Affairs	\$124,934	\$152,057	\$27,123	\$25,086	\$907	\$1,130	\$0
Military Affairs	\$124,934	\$153,608	\$28,674	\$13,782	\$0	\$0	\$14,892
Natural Resources	\$1,270,162	\$1,555,474	\$285,312	\$9,235	\$274,322	\$1,712	\$43
Personnel	\$235,986	\$346,394	\$110,408	\$30,044	\$11,618	\$68,746	\$0
Public Health	\$478,913	\$581,460	\$102,547	\$0	\$0	\$102,547	\$0
Public Safety	\$3,043,528	\$3,204,044	\$160,516	\$0	\$140,051	\$20,465	\$0
Regulatory Agencies	\$131,874	\$192,398	\$60,524	\$2,284	\$54,484	\$3,036	\$720
Revenue	\$985,589	\$1,085,728	\$100,139	\$40,384	\$59,755	\$0	\$0
Secretary of State *	\$21,345	\$32,195	\$10,850	\$0	\$10,850	\$0	\$0
Transportation	\$5,927,419	\$6,154,790	\$227,371	\$0	\$227,371	\$0	\$0
Treasury *	\$0	\$1,939	\$1,939	\$1,939	\$0	\$0	\$0
TOTAL	\$34,718,570	\$38,709,881	\$3,991,311	\$1,741,696	\$1,251,678	\$820,582	\$177,356

Note: Fund splits are estimates based on the FY 2017-18 Long Bill. The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

*Includes non-appropriated institutions of Higher Education. Fund splits are estimates only.

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 Payment to Risk Management and Property Funds 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 2018-19 ESTIMATED COSTS – LIABILITY

Calculation Methodology

The Department contracts with an actuary to estimate two primary components of 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's 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's 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 2018-19					
Description	FY 2017-18 Appropriation	FY 2018-19 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	40.8%	12.8%	46.4%
Personal Services	\$767,321	\$767,321	\$313,360	\$97,858	\$356,103
Total Compensation Common Policies	\$163,201	\$182,978	\$74,725	\$23,336	\$84,918
Operating and OIT Common Policies	\$212,591	\$163,000	\$66,566	\$20,788	\$75,646
Operating Expenses	\$62,539	\$62,539	\$25,540	\$7,976	\$29,023
Indirect Costs	\$214,251	\$214,251	\$87,496	\$27,324	\$99,431
Total Program Overhead	\$1,419,903	\$1,390,089	\$567,687	\$177,281	\$645,121

Program and Policy Costs

The following table details Liability Program and Policy Costs for the FY 2018-19, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2018-19 table.

Liability Program and Policy Costs		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
(C) Risk Management Services		
Program Overhead Expenses	\$545,243	\$567,687
Total Actuarial and Broker Services	\$32,073	\$32,073
Risk Management Information System	\$64,434	\$64,434
Total Risk Management Program Administration	\$641,750	\$664,194
2) Liability		
<i>Liability Claims</i>	\$5,492,182	\$4,915,029
<i>Liability Excess Policy</i>	\$363,825	\$382,000
<i>Liability Legal Services</i>	\$4,556,435	\$4,606,572
Total Liability	\$10,412,442	\$9,903,601
C-SEAP Funding	\$1,463,934	\$1,514,629
Adjustment to Targeted Fund Balance	\$218,100	(\$3,308,626)
Total Liability Allocations	\$12,736,226	\$8,773,798

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 its tracking system.
- **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.
- **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 2018-19.
- **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 2018-19 CSEAP Funding Request		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
Personal Services	\$757,481	\$837,330
Total Compensation Common Policies	\$208,009	\$211,258
Operating Expenses	\$53,075	\$53,794
Operating Common Policies	\$280,755	\$247,633
Indirect Costs	\$164,614	\$164,614
Total	\$1,463,934	\$1,514,629

- **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 2018-19, the Department requests a reserve balance of five percent of the total projected expenditures from the Liability Fund, plus ten percent of the prospective claims payouts.

Liability Fund Balance Adjustment	
FY 2016-17 End-of-Year Fund Balance	4,194,236
FY 2017-18 Expenditure Estimate	(12,601,943)
FY 2017-18 Agency Billings	12,736,226
FY 2018-19 Estimated End-of-Year Fund Balance	4,328,519
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2018-19	\$1,019,893
Increase / (Decrease) to Common Policy Request	(\$3,308,626)

FY 2018-19 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 2018-19					
Description	FY 2017-18 Appropriation	FY 2018-19 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	40.8%	12.8%	46.4%
Personal Services	\$767,321	\$767,321	\$313,360	\$97,858	\$356,103
Total Compensation Common Policies	\$163,201	\$182,978	\$74,725	\$23,336	\$84,918
Operating and OIT Common Policies	\$212,591	\$163,000	\$66,566	\$20,788	\$75,646
Operating Expenses	\$62,539	\$62,539	\$25,540	\$7,976	\$29,023
Indirect Costs	\$214,251	\$214,251	\$87,496	\$27,324	\$99,431
Total Program Overhead	\$1,419,903	\$1,390,089	\$567,687	\$177,281	\$645,121

Program and Policy Costs

The following table details the total FY 2018-19 costs for the Property Program, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2018-19 table.

Property Program and Policy Costs		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
(C) Risk Management Services		
Program Overhead Expenses	\$204,466	\$177,281
Actuarial and Broker Services	\$187,427	\$187,427
RMIS Service Fees	<u>\$64,434</u>	<u>\$64,434</u>
Total Risk Management Program Administration	\$456,327	\$429,142
(3) Property		
Property Policies	<u>\$5,449,696</u>	<u>\$5,691,679</u>
Property & Boiler Policies	\$4,839,678	\$5,081,661
Terrorism Premium	\$0	\$0
Flood Zone A Premiums	\$230,000	\$230,000
Crime Policy	\$380,018	\$380,018
Policy Deductibles and Payouts	<u>\$2,860,000</u>	<u>\$5,800,000</u>
Adjustment to Targeted Fund Balance	<u>\$3,190,501</u>	<u>(\$1,314,519)</u>
Total Property Allocations	\$11,956,524	\$10,606,302

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 its tracking system.
- **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 including employee theft of money or property (physical or intellectual). For FY 2018-19 the Property & Boiler Policies contract amount was increased due to a contract renewal and bid process.
- **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. For FY 2018-19, the Policy Deductibles and Payouts estimated cost was increased based on the FY 2016-17 actual payouts experienced.
- **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 2018-19, the Department requests a reserve balance of five percent of the total projected expenditures from the Property Fund, plus ten percent of the prospective claims payouts.

Property Fund Balance Adjustment	
FY 2016-17 End-of-Year Fund Balance	(699,941)
FY 2017-18 Expenditure Estimate	(8,766,023)
FY 2017-18 Agency Billings	11,956,524
FY 2018-19 Estimated End-of-Year Fund Balance	2,490,560
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2018-19	\$1,176,041
Increase / (Decrease) to Common Policy Request	(\$1,314,519)

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 2018-19. 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 2018-19 Liability Allocations for State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	1.095%	\$96,065
Corrections	CO	23.463%	\$2,058,559
Education	ED	0.689%	\$60,439
Governor's Office	EX	2.341%	\$205,396
Health Care Policy & Finance	HC	0.922%	\$80,922
Higher Education	HE	8.160%	\$715,936
Human Services	HS	9.112%	\$799,479
Judicial	JD	6.570%	\$576,449
Labor & Employment	LA	0.997%	\$87,503
Law	LW	2.078%	\$182,316
Legislature	LE	0.173%	\$15,162
Local Affairs	LO	0.390%	\$34,218
Military Affairs	MA	0.324%	\$28,437
Natural Resources	NR	3.390%	\$297,390
Personnel	GS	0.752%	\$65,955
Public Health	PH	1.448%	\$127,082
Public Safety	PS	11.702%	\$1,026,736
Regulatory Agencies	RG	1.431%	\$125,593
Revenue	RV	2.175%	\$190,817
Secretary of State	ST	1.051%	\$92,207
Transportation	HI	21.698%	\$1,903,737
Treasury	TR	0.039%	\$3,400
Allocation Totals		100.00%	\$8,773,798

FY 2018-19 Liability Allocations for Higher Education			
Agency	Code	% Allocation	\$ Base Allocation
Arapahoe Community College	AR	5.187%	\$37,136
Auraria Higher Education Center	AU	1.831%	\$13,111
College Access Network	GL	0.963%	\$6,896
College Invest	OB	0.465%	\$3,330
Colorado Commission on Higher Education	HE	0.955%	\$6,835
Colorado State University - Pueblo	SC	6.630%	\$47,463
Community College of Aurora	CA	2.607%	\$18,668
Community College System	CC	9.291%	\$66,515
CSU - Global	CG	3.315%	\$23,731
Denver Community College	CD	5.271%	\$37,740
Front Range Community College	FR	6.046%	\$43,288
History Colorado	HS	0.996%	\$7,130
Lamar Community College	LA	0.731%	\$5,233
Metropolitan State University of Denver	ME	31.099%	\$222,650
Morgan Community College	MO	1.019%	\$7,297
Northeastern Junior College	NE	1.614%	\$11,555
Northwestern Community College	NW	1.628%	\$11,658
Otero Junior College	OT	1.257%	\$8,997
Pikes Peak Community College	PP	8.602%	\$61,588
Private Occupational	PS	0.055%	\$396
Pueblo Community College	PV	4.199%	\$30,064
Red Rocks Community College	RR	4.100%	\$29,353
Trinidad State Junior College	TR	2.137%	\$15,302
Allocation Totals		100.00%	\$715,936

FY 2018-19 Property Allocations for State Agencies				
Agency	Code	Building & Contents Value	% Allocation	\$ Allocation
Agriculture	AG	\$81,150,258	0.86%	\$91,318
Corrections	CO	\$1,628,212,017	17.27%	\$1,832,199
Education	ED	\$72,153,466	0.77%	\$81,193
Governor's Office	EX	\$91,445,605	0.97%	\$102,902
Health Care Policy & Finance	HC	\$4,046,765	0.04%	\$4,554
Higher Education	HE	\$2,937,133,547	31.16%	\$3,305,106
Human Services	HS	\$957,679,427	10.16%	\$1,077,660
Judicial	JD	\$183,639,850	1.95%	\$206,647
Labor & Employment	LA	\$37,745,102	0.40%	\$42,474
Law	LW	\$6,419,716	0.07%	\$7,224
Legislature	LE	\$5,594,609	0.06%	\$6,296
Local Affairs	LO	\$13,185,841	0.14%	\$14,838
Military Affairs	MA	\$118,158,522	1.25%	\$132,962
Natural Resources	NR	\$530,325,013	5.63%	\$596,766
Personnel	GS	\$689,620,348	7.32%	\$776,018
Public Health	PH	\$86,248,964	0.92%	\$97,054
Public Safety	PS	\$152,087,254	1.61%	\$171,141
Regulatory Agencies	RG	\$20,795,173	0.22%	\$23,400
Revenue	RV	\$45,191,740	0.48%	\$50,853
Secretary of State	ST	\$7,897,247	0.08%	\$8,887
Transportation	HI	\$1,756,532,762	18.64%	\$1,976,596
Treasury	TR	\$190,226	0.00%	\$214
Allocation Totals		\$9,425,453,452	100.00%	\$10,606,302

FY 2018-19 Estimated Property Allocations for Higher Education

Agency	Code	Building & Contents Value	% Allocation	\$ Allocation
Arapahoe Community College	AR	\$146,832,592	4.999%	\$165,228
Auraria Higher Education Center	AU	\$699,664,302	23.821%	\$787,320
College Access Network	GL	\$31,254	0.001%	\$35
College Invest	OB	\$750,550	0.026%	\$845
Colorado Commission on Higher Education	HE	\$556,225	0.019%	\$626
Colorado State University - Pueblo	SC	\$357,959,628	12.187%	\$402,806
Community College of Aurora	CA	\$42,365,456	1.442%	\$47,673
Denver Community College	CD	\$37,158,610	1.265%	\$41,814
Front Range Community College	FR	\$231,124,279	7.869%	\$260,080
History Colorado	HS	\$134,939,553	4.594%	\$151,845
Lamar Community College	LA	\$60,482,394	2.059%	\$68,060
Metropolitan State University of Denver	ME	\$81,837,776	2.786%	\$92,091
Morgan Community College	MO	\$52,144,625	1.775%	\$58,677
Northeastern Junior College	NE	\$139,651,286	4.755%	\$157,147
Northwestern Community College	NW	\$61,065,242	2.079%	\$68,716
Occupational Ed. Division	OE	\$210,257,105	7.159%	\$236,599
Otero Junior College	OT	\$74,489,727	2.536%	\$83,822
Pikes Peak Community College	PP	\$194,368,616	6.618%	\$218,720
Pueblo Community College	PV	\$153,962,835	5.242%	\$173,252
Red Rocks Community College	RR	\$137,299,805	4.675%	\$154,501
Trinidad State Junior College	TR	\$120,191,688	4.092%	\$135,249
Allocation Totals		\$2,937,133,547	100.00%	\$3,305,106

Combined Allocation for Payment to Risk Management and Property Funds

Payments to Risk Management and Property Fund Request FY 2018-19					
Department	Liability Base Need	Property Need	Total Liability + Property	FY 2017-18 Long Bill	Incremental Adjustment
Agriculture	\$96,065	\$91,318	\$187,383	\$209,448	(\$22,065)
Corrections	\$2,058,559	\$1,832,199	\$3,890,758	\$5,020,275	(\$1,129,517)
Education	\$60,439	\$81,193	\$141,632	\$152,910	(\$11,278)
Governor's Office	\$205,396	\$102,902	\$308,298	\$391,627	(\$83,329)
Health Care Policy & Finance	\$80,922	\$4,554	\$85,476	\$128,274	(\$42,798)
Higher Education	\$715,936	\$3,305,106	\$4,021,042	\$5,449,763	(\$1,428,721)
Human Services	\$799,479	\$1,077,660	\$1,877,139	\$2,521,021	(\$643,882)
Judicial	\$576,449	\$206,647	\$783,096	\$1,127,976	(\$344,880)
Labor & Employment	\$87,503	\$42,474	\$129,977	\$146,076	(\$16,099)
Law	\$182,316	\$7,224	\$189,540	\$255,055	(\$65,515)
Legislature	\$15,162	\$6,296	\$21,458	\$23,173	(\$1,715)
Local Affairs	\$34,218	\$14,838	\$49,056	\$59,569	(\$10,513)
Military Affairs	\$28,437	\$132,962	\$161,399	\$174,791	(\$13,392)
Natural Resources	\$297,390	\$596,766	\$894,156	\$1,024,433	(\$130,277)
Personnel	\$65,955	\$776,018	\$841,973	\$887,149	(\$45,176)
Public Health	\$127,082	\$97,054	\$224,136	\$252,884	(\$28,748)
Public Safety	\$1,026,736	\$171,141	\$1,197,877	\$1,900,191	(\$702,314)
Regulatory Agencies	\$125,593	\$23,400	\$148,993	\$198,282	(\$49,289)
Revenue	\$190,817	\$50,853	\$241,670	\$336,022	(\$94,352)
Secretary of State	\$92,207	\$8,887	\$101,094	\$120,855	(\$19,761)
Transportation	\$1,903,737	\$1,976,596	\$3,880,333	\$4,305,106	(\$424,773)
Treasury	\$3,400	\$214	\$3,614	\$4,221	(\$607)
Totals	\$8,773,798	\$10,606,302	\$19,380,100	\$24,689,101	(\$5,309,001)

FY 2018-19 RISK MANAGEMENT DEPARTMENT FUNDING REQUESTS

Summary for Payments to Risk Management							
Department	FY 2017-18 Appropriation	FY 2018-19 Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$209,448	\$187,383	(\$22,065)	(\$9,919)	(\$12,146)	\$0	\$0
Corrections	\$5,020,275	\$3,890,758	(\$1,129,517)	(\$1,085,014)	(\$44,503)	\$0	\$0
Education	\$152,910	\$141,632	(\$11,278)	(\$11,278)	\$0	\$0	\$0
Governor's Office	\$391,627	\$308,298	(\$83,329)	(\$26,180)	\$0	(\$57,149)	\$0
Health Care Policy & Finance	\$128,274	\$85,476	(\$42,798)	(\$15,506)	(\$4,408)	(\$1,560)	(\$21,324)
Higher Education*	\$5,449,763	\$4,021,042	(\$1,428,721)	\$0	(\$1,357,285)	(\$71,436)	\$0
Human Services	\$2,521,021	\$1,877,139	(\$643,882)	(\$347,696)	\$0	(\$296,186)	\$0
Judicial	\$1,127,976	\$783,096	(\$344,880)	(\$344,880)	\$0	\$0	\$0
Labor & Employment	\$146,076	\$129,977	(\$16,099)	(\$1,368)	(\$6,363)	(\$205)	(\$8,163)
Law	\$255,055	\$189,540	(\$65,515)	(\$18,332)	(\$8,788)	(\$36,690)	(\$1,705)
Legislature	\$23,173	\$21,458	(\$1,715)	(\$1,715)	\$0	\$0	\$0
Local Affairs	\$59,569	\$49,056	(\$10,513)	(\$9,786)	(\$638)	(\$89)	\$0
Military Affairs	\$174,791	\$161,399	(\$13,392)	(\$13,392)	\$0	\$0	\$0
Natural Resources	\$1,024,433	\$894,156	(\$130,277)	(\$10,980)	(\$116,370)	(\$1,685)	(\$1,242)
Personnel	\$887,149	\$841,973	(\$45,176)	(\$12,212)	(\$4,644)	(\$28,320)	\$0
Public Health	\$252,884	\$224,136	(\$28,748)	\$0	\$0	(\$28,748)	\$0
Public Safety	\$1,900,191	\$1,197,877	(\$702,314)	\$0	(\$383,910)	(\$318,404)	\$0
Regulatory Agencies	\$198,282	\$148,993	(\$49,289)	(\$1,860)	(\$44,370)	(\$2,472)	(\$587)
Revenue	\$336,022	\$241,670	(\$94,352)	(\$38,050)	(\$56,302)	\$0	\$0
Secretary of State	\$120,855	\$101,094	(\$19,761)	\$0	(\$19,761)	\$0	\$0
Transportation	\$4,305,106	\$3,880,333	(\$424,773)	\$0	(\$424,773)	\$0	\$0
Treasury	\$4,221	\$3,614	(\$607)	(\$607)	\$0	\$0	\$0
TOTAL	\$24,689,101	\$19,380,100	(\$5,309,001)	(\$1,948,775)	(\$2,484,261)	(\$842,944)	(\$33,021)

Note: Fund splits are estimates based on the FY 2017-18 Long Bill. The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above.

*Includes non-appropriated institutions of Higher Education, subject to final appropriation by JBC. Fund splits are estimates only.

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 per campus.

FY 2018-19 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 generally 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 2018-19 Capitol Complex Leased Space Base Adjustment		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
Personal Services	\$3,206,979	\$3,275,675
Total Compensation Common Policies	\$718,755	\$752,702
Operating Expenses	\$2,709,468	\$2,709,468
Capitol Complex Repairs	\$56,520	\$56,520
Operating and OIT Common Policies	\$1,382,694	\$1,203,199
Depreciation Estimate	\$272,000	\$286,000
Energy Performance Depreciation	\$2,478,000	\$2,663,000
Utilities	\$3,283,656	\$3,360,094
Capitol Complex Security	\$405,243	\$469,099
Indirect Costs	\$1,041,130	\$1,041,130
Sprint Leased Tower Space	(\$46,295)	(\$47,618)
Total Base Costs	\$15,508,150	\$15,769,269
Fund Balance Adjustment	\$1,477,686	(\$202,683)
Total Allocable Cost	\$16,985,836	\$15,566,586
Allocated Square Feet	1,273,241	1,273,241
Estimated Cost Per Square Foot	\$13.34	\$12.23

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 2018-19. 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 if it is less than the useful life of the improvement. 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 though the allocation should be updated once any updates to this figure are known.
- **Indirect Costs:** This represents the program's share of indirect costs for FY 2018-19.
- **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 an 8.25 percent fund balance target.

Estimate of Fund Balance Adjustment for FY 2018-19	
Description	Amount
FY 2016-17 End-of-Year Cash Balance	\$3,225,962
Estimated FY 2017-18 Expenditures	\$15,508,150
Estimated FY 2017-18 Revenues	\$16,985,836
Estimated FY 2017-18 End-of-Year Balance	\$4,703,648
Approved Capital Asset Set Aside Balance	\$3,200,000
Net Available Operating Fund Balance	\$1,503,648
FY 2018-19 Estimated Base Expenditures	\$15,769,269
Targeted Operating Fund Balance (8.25%)	\$1,300,965
Total Target Reserve	\$4,500,965
Addition/(Reduction) Required to Reach Target	(\$202,683)

UTILITIES METHODOLOGY

For FY 2018-19, 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 on the previous page:

FY 2018-19 Utilities Build for Capitol Complex Leased Space					
	Utility Type				
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Denver					
FY 2016-17 Total Usage	21,296,566	90,515	13,218	35,249,000	
FY 2016-17 Total Billing	\$1,788,622	\$75,784	\$374,915	\$253,847	
FY 2016-17 Average Billing Rate	0.08400	0.8373	28.3640	0.0072	
Estimated Rate Increase FY 2016-17 to FY 2018-19	5%	5%	5%	3%	
Projected Rate	0.0882	0.8792	29.7822	0.0074	
FY 2018-19 Estimated Need by Utility	\$1,878,357	\$79,581	\$393,661	\$260,843	\$2,612,442
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Grand Junction					
FY 2016-17 Total Usage	654,880	6,526		880,000	
FY 2016-17 Total Billing	\$59,160	\$4,104		\$6,421	
FY 2016-17 Average Billing Rate	0.0903	0.6289		0.0073	
Estimated Rate Increase FY 2016-17 to FY 2018-19	5%	5%		3%	
Projected Rate	0.0948	0.6603		0.0075	
FY 2018-19 Estimated Need by Utility	\$62,083	\$4,309		\$8,533	\$74,925
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Camp George West					
FY 2016-17 Total Usage				149,963	
FY 2016-17 Total Billing				\$81,957	
FY 2016-17 Average Billing Rate				0.5465	
Estimated Rate Increase FY 2016-17 to FY 2018-19				3%	
Projected Rate				0.5629	
FY 2018-19 Estimated Need by Utility				\$84,414	\$84,414

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 2018-19 Utilities Line Item Build		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
Allocated Utilities	\$2,653,038	\$2,771,781
Performance Contract Interest Payment	\$621,745	\$588,314
Subtotal Allocated Amount	\$3,274,783	\$3,360,095
Performance Contract Principal Payment	\$1,249,121	\$1,348,727
True-Up Steam Rebates	\$345,063	\$353,690
Total Request Utilities Line Item Request	\$4,868,967	\$5,062,512

CAPITOL COMPLEX LEASED SPACE 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 2018-19.

Square Foot Allocation Per Location by Agency						
Agency	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	19,780	0	0	0	0	19,780
OIT	13,853	0	0	1,346	0	15,199
Health Care Policy and Financing	33,264	0	0	0	0	33,264
Human Services	89,429	0	0	0	0	89,429
Labor & Employment	0	0	5,381	4,149	0	9,530
Legislature	142,740	0	0	0	0	142,740
Local Affairs	38,107	0	0	3,783	0	41,890
Military and Veterans Affairs	0	0	0	0	55,865	55,865
Natural Resources	79,277	0	0	0	0	79,277
Personnel	125,593	0	82,034	2,853	0	210,480
Public Health and Environment	0	0	0	4,477	0	4,477
Public Safety	93,226	0	0	0	170,141	263,367
Revenue	73,685	89,031	2,119	5,919	0	170,754
Transportation	100	0	0	12,618	13,703	26,421
Treasury	3,351	0	0	0	0	3,351
CSU Forest Service	0	0	0	0	0	0
Total	754,454	89,031	89,534	35,145	305,077	1,273,241

FY 2018-19 Estimated Cost per Square Foot					
Description	Denver	Pierce	North Campus	Grand Junction	Camp George West
Cost per Square Foot	\$18.39	\$10.40	\$2.69	\$7.36	\$0.88

FY 2018-19 Total Estimated Need by Agency						
Agency	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Corrections	\$0	\$0	\$0	\$0	\$41,151	\$41,151
Correctional Industries	\$0	\$0	\$0	\$0	\$16,455	\$16,455
Education	\$773,186	\$0	\$0	\$0	\$0	\$773,186
Governor, Lt Governor, OSPB	\$363,710	\$0	\$0	\$0	\$0	\$363,710
OIT	\$254,726	\$0	\$0	\$9,905	\$0	\$264,631
Health Care Policy and Financing	\$611,650	\$0	\$0	\$0	\$0	\$611,650
Human Services	\$1,644,398	\$0	\$0	\$0	\$0	\$1,644,398
Labor & Employment	\$0	\$0	\$14,470	\$30,534	\$0	\$45,004
Legislature	\$2,624,667	\$0	\$0	\$0	\$0	\$2,624,667
Local Affairs	\$700,702	\$0	\$0	\$27,840	\$0	\$728,542
Military and Veterans Affairs	\$0	\$0	\$0	\$0	\$49,231	\$49,231
Natural Resources	\$1,457,726	\$0	\$0	\$0	\$0	\$1,457,726
Personnel	\$2,309,372	\$0	\$220,591	\$20,996	\$0	\$2,550,959
Public Health and Environment	\$0	\$0	\$0	\$32,948	\$0	\$32,948
Public Safety	\$1,714,216	\$0	\$0	\$0	\$149,937	\$1,864,153
Revenue	\$1,354,901	\$925,626	\$5,698	\$43,560	\$0	\$2,329,785
Transportation	\$1,839	\$0	\$0	\$92,859	\$12,075	\$106,773
Treasury	\$61,617	\$0	\$0	\$0	\$0	\$61,617
CSU Forest Service	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$13,872,710	\$925,626	\$240,759	\$258,642	\$268,849	\$15,566,586

Legislature Detail	
Capitol Complex Leased Space Allocation	\$2,624,667
Parking at 1525 Sherman	\$31,200
Conference Center Rental	\$1,500
Total	\$2,657,367

FY 2018-19 CCLS DEPARTMENT FUNDING REQUESTS

Summary for Capitol Complex Leased Space						
Department	Request	Base Adj.	GF	CF	RF	FF
Corrections	\$57,606	(\$5,945)	(\$4,247)	(\$1,698)	\$0	\$0
Education	\$773,186	(\$68,978)	(\$19,393)	(\$9,259)	(\$12,479)	(\$27,847)
Governor	\$628,341	(\$54,893)	(\$26,366)	\$0	(\$28,527)	\$0
Health Care Policy and Financing	\$611,650	(\$54,567)	(\$19,770)	(\$5,620)	(\$1,989)	(\$27,188)
Human Services	\$1,644,398	(\$146,701)	(\$79,219)	\$0	(\$67,482)	\$0
Labor and Employment	\$45,004	(\$4,911)	(\$417)	(\$1,941)	(\$63)	(\$2,490)
Legislative*	\$2,624,667	(\$268,155)	(\$268,155)	\$0	\$0	\$0
Local Affairs	\$728,542	(\$65,534)	(\$12,318)	(\$3,932)	(\$44,490)	(\$4,794)
Military and Veteran Affairs	\$49,231	(\$5,081)	(\$5,081)	\$0	\$0	\$0
Natural Resources	\$1,457,726	(\$130,047)	(\$24,943)	(\$66,162)	(\$24,758)	(\$14,184)
Personnel and Administration	\$2,550,959	(\$232,648)	(\$188)	(\$11,069)	(\$221,391)	\$0
Public Health and Environment	\$32,948	(\$3,577)	\$0	\$0	(\$3,577)	\$0
Public Safety	\$1,864,153	(\$164,737)	(\$37,799)	(\$43,978)	(\$82,960)	\$0
Revenue	\$2,329,785	(\$225,464)	(\$150,139)	(\$75,325)	\$0	\$0
Transportation	\$106,773	(\$11,494)	\$0	(\$61,417)	\$446	\$49,477
Treasury*	\$61,617	(\$5,365)	(\$5,365)	\$0	\$0	\$0
TOTAL	\$15,566,586	(\$1,451,466)	(\$656,769)	(\$280,401)	(\$487,270)	(\$27,026)

* 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 2017-18 Long Bill.

Note: The table above only includes the base request for FY 2018-19. 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 called 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). During FY 2015-16, there were over 4,000 CORE users that produced over five million documents or records across budget, accounting and procurement. Starting in FY 2015-16 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 2018-19 CORE ESTIMATED COSTS

For FY 2018-19, the request includes a base adjustment to the CORE Operations line item for each department based on updated program expenditures anticipated for FY 2018-19. 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 complete fiscal year.

FY 2018-19 CORE Operations Base Adjustment		
Description	FY 2017-18 Appropriation	FY 2018-19 Request
Personal Services	\$1,656,877	\$1,835,803
Total Compensation Common Policies	\$353,910	\$366,016
Operating Expenses	\$1,369,408	\$1,369,408
Operating and OIT Common Policies	\$519,111	\$424,260
Payment for CORE and Support Modules	\$5,282,872	\$5,282,872
Depreciation	\$4,229,791	\$4,871,503
Fund Balance Adjustments	(\$2,036,264)	(\$2,511,122)
Total	\$11,375,705	\$11,638,740

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay, if any.
- **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.
- **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.

- **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).
- **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 \$46,447,361. 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 \$2,687,640 cash funds in FY 2018-19 from the Supplier Database Cash Fund. The Department has requested to retain a reserve of eight and a quarter percent of the estimated FY 2017-18 year end fund balance.

FY 2018-19 Supplier Database Fund 2810 Fund Balance Projection	
Description	Amount
Final Fund Balance - FY 2016-17 Projected	\$1,261,109
Projected FY 2017-18 Revenue	\$1,491,158
Projected FY 2017-18 Expense	\$1,448,200
Final Fund Balance - FY 2017-18 Projected	\$1,304,067
Fund Balance Reserve - 8.25% of Fund Balance	\$107,586
Addition/(reduction) to Allocations	(\$2,687,640)

The Statewide Financial Information Technology Systems Cash Fund was created to allow DPA to collect and expend revenues for the CORE common policy. In order to retain a fund balance reserve of 8.25 percent of Personal Service and Operating Expenses, \$176,518 has been added to the FY 2018-19 request.

FY 2018-19 Statewide Financial IT System 6140 Fund Balance Projection	
Description	Amount
Final Fund Balance - FY 2016-17 Projected	\$2,022,028
Projected FY 2017-18 Revenue	\$11,375,705
Projected FY 2017-18 Expense	\$13,309,821
Final Fund Balance - FY 2017-18 Projected	\$87,912
Fund Balance Reserve - 8.25% PS/OE	\$264,430
Addition/(reduction) to Allocations	\$176,518

CORE 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 2018-19 CORE Operations Base Adjustment 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 2018-19 CORE Incremental Need by Department					
Agency	FY 2017-18 Appropriation	% CORE Documents	Estimated Allocation for FY 2018-19	Incremental Need over/(under)	% Change
Agriculture	\$103,507	0.95%	\$110,989	\$7,482	7.23%
Corrections	\$418,183	3.56%	\$413,877	(\$4,306)	-1.03%
Education	\$236,105	2.13%	\$247,935	\$11,830	5.01%
Governor	\$334,245	2.59%	\$300,881	(\$33,364)	-9.98%
Health Care Policy and Financing	\$1,583,166	10.54%	\$1,227,100	(\$356,066)	-22.49%
Higher Education	\$171,848	1.72%	\$199,636	\$27,788	16.17%
Human Services	\$1,046,437	8.91%	\$1,036,508	(\$9,929)	-0.95%
Judicial	\$836,556	8.34%	\$970,599	\$134,043	16.02%
Labor and Employment	\$267,411	3.43%	\$399,566	\$132,155	49.42%
Law	\$59,305	0.62%	\$72,541	\$13,236	22.32%
Legislature	\$34,089	0.30%	\$35,457	\$1,368	4.01%
Local Affairs	\$426,454	3.51%	\$409,010	(\$17,444)	-4.09%
Military and Veteran Affairs	\$58,108	0.50%	\$58,753	\$645	1.11%
Natural Resources	\$2,968,967	27.10%	\$3,153,728	\$184,761	6.22%
Personnel	\$297,516	3.05%	\$354,830	\$57,314	19.26%
Public Health and Environment	\$925,297	8.16%	\$949,998	\$24,701	2.67%
Public Safety	\$326,391	2.82%	\$328,590	\$2,199	0.67%
Regulatory Agencies	\$193,497	2.08%	\$242,310	\$48,813	25.23%
Revenue	\$718,378	6.91%	\$804,259	\$85,881	11.95%
State	\$16,792	0.16%	\$19,006	\$2,214	13.18%
Transportation	\$122,678	1.16%	\$135,105	\$12,427	10.13%
Treasury	\$172,690	1.44%	\$168,062	(\$4,628)	-2.68%
Total	\$11,317,620	100.00%	\$11,638,740	\$321,120	2.84%

FY 2018-19 CORE DEPARTMENT FUNDING REQUESTS

Summary for CORE Operations							
Department	FY 2017-18 Appropriation	FY 2018-19 Request	FY 2018-19 Base Adj.	GF	CF	RF	FF
Agriculture	\$103,507	\$110,989	\$7,482	\$608	\$5,957	\$0	\$917
Corrections	\$418,183	\$413,877	(\$4,306)	(\$3,797)	(\$244)	(\$265)	\$0
Education	\$236,105	\$247,935	\$11,830	\$4,492	\$1,481	\$5,857	\$0
Governor's Office	\$334,245	\$300,881	(\$33,364)	(\$3,738)	(\$2,446)	(\$24,721)	(\$2,459)
Health Care Policy & Finance	\$1,583,166	\$1,227,100	(\$356,066)	(\$129,009)	(\$36,672)	(\$12,977)	(\$177,408)
Higher Education	\$171,848	\$199,636	\$27,788	\$0	\$12,768	\$15,020	\$0
Human Services	\$1,046,437	\$1,036,508	(\$9,929)	(\$5,362)	\$0	(\$4,567)	\$0
Judicial	\$836,556	\$970,599	\$134,043	\$134,043	\$0	\$0	\$0
Labor & Employment	\$267,411	\$399,566	\$132,155	\$11,219	\$52,238	\$1,688	\$67,010
Law	\$59,305	\$72,541	\$13,236	\$3,664	\$1,783	\$7,443	\$346
Legislature	\$34,089	\$35,457	\$1,368	\$1,368	\$0	\$0	\$0
Local Affairs	\$426,454	\$409,010	(\$17,444)	(\$7,542)	\$0	(\$8,276)	(\$1,626)
Military Affairs	\$58,108	\$58,753	\$645	\$645	\$0	\$0	\$0
Natural Resources	\$2,968,967	\$3,153,728	\$184,761	\$27,161	\$146,511	\$6,065	\$5,024
Personnel	\$297,516	\$354,830	\$57,314	\$15,560	\$5,908	\$35,846	\$0
Public Health	\$925,297	\$949,998	\$24,701	\$1,283	\$0	\$23,418	\$0
Public Safety	\$326,391	\$328,590	\$2,199	\$479	\$1,478	\$242	\$0
Regulatory Agencies	\$193,497	\$242,310	\$48,813	\$1,842	\$43,942	\$2,448	\$581
Revenue	\$718,378	\$804,259	\$85,881	\$34,634	\$51,247	\$0	\$0
Secretary of State	\$16,792	\$19,006	\$2,214	\$0	\$2,214	\$0	\$0
Transportation	\$122,678	\$135,105	\$12,427	\$0	\$12,427	\$0	\$0
Treasury	\$172,690	\$168,062	(\$4,628)	(\$2,083)	(\$2,545)	\$0	\$0
TOTAL	\$11,317,620	\$11,638,740	\$321,120	\$85,467	\$296,047	\$47,220	(\$107,615)

Note: The table above only includes the base request for FY 2018-19. Any additional changes due to change requests from this or other departments are not reflected in the numbers above. 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 2017-18 Long Bill.

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 2018-19 no request for variable vehicle costs has been submitted.

For FY 2018-19, the Department has submitted a funding request, R-06 Annual Fleet Vehicle Request, to replace 767 fleet vehicles (413 which are designated as potential alternative fuel vehicles). This will require an increase of \$1,425,833 in appropriated funds for all state agencies' Vehicle Lease Payment appropriations, and an increase of \$1,899,894 for the Department's Vehicle Replacement Lease/Purchase line item for FY 2018-19.

Lease Line Reconciliation for FY 2018-2019				
Dept	Division	Long Bill Vehicle Lease Payment Appropriation for FY 2017-18	Total Need After Requested	Total Base Adjustments
Long Bill Appropriated Agencies				
CDPS	EDO	\$567,345	\$512,942	(\$54,403)
CDPS	Colorado State Patrol	\$7,146,590	\$7,401,639	\$255,049
CDPS	CBI	\$286,966	\$336,157	\$49,191
CDPS	CDPS Total	\$8,000,901	\$8,250,738	\$249,837
CDA	Agriculture	\$236,066	\$264,961	\$28,895
CDHS	Department of Human Services	\$1,063,662	\$1,241,325	\$177,663
CDLE	Labor and Employment	\$190,733	\$206,336	\$15,603
DOC	Department of Corrections	\$3,206,280	\$3,651,602	\$445,322
DOE	Department of Education	\$22,963	\$29,931	\$6,968
DOL	Attorney General	\$46,084	\$66,827	\$20,743
DOLA	Local Affairs	\$86,086	\$106,304	\$20,218
DOMA	Military Affairs	\$58,069	\$53,956	(\$4,113)
DONR	Natural Resources	\$4,207,446	\$4,437,287	\$229,841
DOR	Department of Revenue	\$660,489	\$664,360	\$3,871
DORA	Regulatory Agencies	\$173,575	\$241,436	\$67,861
DOS	Secretary of State	\$4,038	\$4,308	\$270
DPA	Dept of Personnel	\$191,940	\$233,807	\$41,867
DPHE	Department of Health	\$366,216	\$438,468	\$72,252
GOV	Economic Development	\$11,256	\$13,224	\$1,968
GOV	CEO	\$3,212	\$5,736	\$2,524
GOV	OIT	\$85,260	\$89,986	\$4,726
JUD	Public Defender	\$94,354	\$125,428	\$31,074
JUD	Courts	\$93,762	\$102,203	\$8,441
Total Long Bill Appropriated Agencies		\$18,802,392	\$20,228,225	\$1,425,833
Non Long Bill Appropriated Agencies				
DOT	Department of Transportation	\$2,034,760	\$2,538,625	\$248,770
DOHE	Higher Education Total	\$617,116	\$1,118,528	\$392,268
Total Non Appropriated Agencies		\$2,651,876	\$3,657,153	\$641,038
Statewide Total		\$21,454,268	\$23,885,378	\$2,066,871