



STATEWIDE COMMON  
POLICY REQUEST  
NOVEMBER 1, 2019





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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 2020-21, 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 2020-21, 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 2020-21, 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 2020-21, the Executive Branch requested funding for a 2 percent statewide across-the-board Salary Survey adjustment.**

### ***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 2020-21, the Department conducted a system maintenance study for the Electronic Engineer, Electronics Specialist, and Customer Support Coordinator class series. The estimated cost to implement the results of the study on a statewide level is \$5,959.**

### ***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 2020-21 total compensation request for all trooper classifications includes a 2 percent across-the-board Salary Survey increase, consistent with the statewide compensation request.

## FY 2020-21 SALARY SURVEY DEPARTMENT FUNDING REQUESTS

The following table reflects the Salary Survey request by department for FY 2020-21. The amounts shown in the table below include the fiscal impact of the 2 percent across-the-board Salary Survey, and the movement to minimum costs associated with the 2 percent salary range adjustment.

SUMMARY FOR SALARY SURVEY							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$ 1,266,060	\$ 423,084	\$ 423,084	\$ 138,444	\$ 284,640	\$ -	\$ -
Corrections	\$ 10,973,701	\$ 8,013,331	\$ 8,013,331	\$ 7,787,754	\$ 225,577	\$ -	\$ -
Education	\$ 1,531,969	\$ 1,076,326	\$ 1,076,326	\$ 345,293	\$ 175,093	\$ 134,440	\$ 421,500
Governor's Office	\$ 2,867,410	\$ 2,150,178	\$ 2,150,178	\$ 192,162	\$ 51,405	\$ 1,894,249	\$ 12,362
HCPF	\$ 1,305,312	\$ 957,481	\$ 957,481	\$ 356,514	\$ 72,776	\$ 21,855	\$ 506,336
Higher Education	\$ 477,673	\$ 315,159	\$ 315,159	\$ 21,952	\$ 200,425	\$ 51,693	\$ 41,089
Human Services	\$ 9,430,800	\$ 6,386,529	\$ 6,386,529	\$ 4,382,855	\$ 64,507	\$ 1,540,234	\$ 398,933
Judicial *	\$ 5,681,697	\$ 5,008,214	\$ 5,008,214	\$ 4,858,609	\$ 149,605	\$ -	\$ -
Labor and Employment	\$ 2,577,526	\$ 1,774,154	\$ 1,774,154	\$ 110,488	\$ 659,891	\$ 10,079	\$ 993,696
Law	\$ 1,971,900	\$ 1,314,736	\$ 1,314,736	\$ 354,500	\$ 136,752	\$ 798,548	\$ 24,936
Legislature *	\$ -	\$ 673,251	\$ 673,251	\$ 673,251	\$ -	\$ -	\$ -
Local Affairs	\$ 449,759	\$ 318,470	\$ 318,470	\$ 94,007	\$ 44,225	\$ 115,440	\$ 64,798
Military Affairs	\$ 311,446	\$ 234,066	\$ 234,066	\$ 80,049	\$ 3,487	\$ -	\$ 150,530
Natural Resources	\$ 4,875,623	\$ 2,705,764	\$ 2,705,764	\$ 413,165	\$ 2,146,257	\$ 79,629	\$ 66,713
Personnel and Administration	\$ 888,103	\$ 605,834	\$ 605,834	\$ 234,943	\$ 28,977	\$ 341,914	\$ -
Public Health	\$ 3,533,654	\$ 2,522,246	\$ 2,522,246	\$ 410,934	\$ 846,023	\$ 263,519	\$ 1,001,770
Public Safety	\$ 4,998,369	\$ 3,467,401	\$ 3,467,401	\$ 832,043	\$ 2,263,746	\$ 285,222	\$ 86,390
Regulatory Agencies	\$ 1,351,199	\$ 969,706	\$ 969,706	\$ 29,807	\$ 872,602	\$ 57,598	\$ 9,699
Revenue	\$ 2,798,869	\$ 2,141,253	\$ 2,141,253	\$ 813,048	\$ 1,309,458	\$ 2,114	\$ 16,633
State	\$ 336,240	\$ 231,151	\$ 231,151	\$ -	\$ 231,151	\$ -	\$ -
Transportation	\$ 347,649	\$ 248,851	\$ 248,851	\$ -	\$ 248,851	\$ -	\$ -
Treasury	\$ 70,166	\$ 52,047	\$ 52,047	\$ 33,217	\$ 18,830	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 58,045,125</b>	<b>\$ 41,589,232</b>	<b>\$ 41,589,232</b>	<b>\$ 22,163,035</b>	<b>\$ 10,034,278</b>	<b>\$ 5,596,534</b>	<b>\$ 3,795,385</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 2020-21, the Executive Branch has not requested Merit Pay.**

## FY 2020-21 MERIT PAY DEPARTMENT FUNDING REQUESTS

The table below reflects the Merit Pay requested for FY 2020-21 by the non-executive agencies including elected officials. As noted earlier, these amounts are only estimates of future need.

SUMMARY FOR MERIT PAY							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corrections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Judicial *	\$10,976,459	\$4,657,175	\$4,657,175	\$4,294,194	\$362,981	\$0	\$0
Labor and Employment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Law	\$689,740	\$431,931	\$431,931	\$102,876	\$25,095	\$301,713	\$2,247
Legislature *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Military Affairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personnel and Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Health	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$11,666,199</b>	<b>\$5,089,106</b>	<b>\$5,089,106</b>	<b>\$4,397,070</b>	<b>\$388,076</b>	<b>\$301,713</b>	<b>\$2,247</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 2020-21 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 2020-21.

## FY 2020-21 SHIFT DIFFERENTIAL DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHIFT							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$0	\$10,788	\$10,788	\$10,788	\$0	\$0	\$0
Corrections	\$9,264,502	\$8,969,593	(\$294,909)	(\$291,785)	(\$3,124)	\$0	\$0
Education	\$120,969	\$116,968	(\$4,001)	(\$4,001)	\$0	\$0	\$0
Governor's Office	\$44,005	\$84,471	\$40,466	\$0	\$0	\$40,466	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$7,903,357	\$7,946,021	\$42,664	\$170,935	\$39,879	(\$1,112,632)	\$944,482
Judicial *	\$0	\$150,213	\$150,213	\$150,213	\$0	\$0	\$0
Labor and Employment	\$13,177	\$13,410	\$233	\$0	\$0	\$0	\$233
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	\$32,433	\$36,438	\$4,005	\$0	\$0	\$0	\$4,005
Natural Resources	\$35,039	\$38,953	\$3,914	\$0	\$3,914	\$0	\$0
Personnel and Administration	\$44,020	\$42,664	(\$1,356)	\$0	\$0	(\$1,356)	\$0
Public Health	\$19,519	\$19,847	\$328	\$621	(\$351)	(\$194)	\$252
Public Safety	\$451,959	\$522,432	\$70,473	\$15,862	\$62,603	(\$6,832)	(\$1,160)
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$114,613	\$123,918	\$9,305	\$0	\$9,305	\$0	\$0
State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$15,711	\$30,643	\$14,932	\$0	\$14,932	\$0	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$18,059,304</b>	<b>\$18,106,359</b>	<b>\$47,055</b>	<b>\$52,633</b>	<b>\$127,158</b>	<b>(\$1,080,548)</b>	<b>\$947,812</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 Across-The-Board (ATB) Salary Survey (\$500,000 * 2%)	\$10,000
= New Salary	\$510,000
+ Base Building Merit Pay (\$510,000 * 0%)	\$0
= Total Base Salary FY 2020-21	\$510,000
+ Shift Differential Actual FY 2018-19	\$100,000
= Department Revised Base Salary for FY 2020-21	\$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 2020-21 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).

Fiscal Year	State PERA Contribution	AED Contribution	SAED Contribution	Total State Contribution
2019	10.15%	5.00%	5.00%	20.15%
2020	10.40%	5.00%	5.00%	20.40%
2021	10.90%	5.00%	5.00%	20.90%

### 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 set in statute are converted to a blended rate for the fiscal year. For FY 2020-21, 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 and shall increase by four-tenths of one percent at the start of each calendar year through 2023. For FY 2020-21, the blended rate for Judicial is 4.0 percent. The AED calculation is described below:

Calculation Detail - AED	
Department Revised Base Salary	\$610,000
AED @ 5%	\$610,000 * 5%
= Requested AED Appropriation	\$30,500

## FY 2020-21 AED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR AED							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$1,086,911	\$957,546	(\$129,365)	\$31,334	(\$160,699)	\$0	\$0
Corrections	\$18,302,638	\$18,583,144	\$280,506	\$286,059	(\$5,553)	\$0	\$0
Education	\$2,340,386	\$2,448,136	\$107,750	\$43,666	\$30,717	\$30,351	\$3,016
Governor's Office	\$4,585,267	\$4,881,977	\$296,710	\$42,094	(\$84,211)	\$392,793	(\$53,966)
HCPF	\$1,982,502	\$2,173,132	\$190,630	\$86,343	\$6,931	\$3,296	\$94,060
Higher Education	\$639,698	\$715,301	\$75,603	\$32,079	\$28,119	(\$9,211)	\$24,616
Human Services	\$14,911,079	\$14,848,629	(\$62,450)	(\$237,085)	(\$119,043)	\$569,549	(\$275,871)
Judicial *	\$15,940,647	\$17,432,596	\$1,491,949	\$1,518,840	(\$26,891)	\$0	\$0
Labor and Employment	\$3,950,245	\$4,027,369	\$77,124	\$21,643	(\$23,733)	(\$1,824)	\$81,038
Law	\$2,311,928	\$2,466,057	\$154,129	\$51,715	\$17,223	\$87,900	(\$2,709)
Legislature *	\$1,575,417	\$1,528,072	(\$47,345)	(\$47,345)	\$0	\$0	\$0
Local Affairs	\$688,989	\$722,825	\$33,836	\$1,845	\$3,918	\$12,598	\$15,475
Military Affairs	\$477,108	\$532,832	\$55,724	\$2,476	\$1,346	\$0	\$51,902
Natural Resources	\$5,976,962	\$6,142,256	\$165,294	\$10,065	\$140,040	\$5,728	\$9,461
Personnel and Administration	\$1,365,023	\$1,376,930	\$11,907	\$33,812	(\$41,409)	\$19,504	\$0
Public Health	\$5,424,301	\$5,725,575	\$301,274	\$129,545	\$28,023	\$22,068	\$121,638
Public Safety	\$7,648,673	\$7,732,160	\$83,487	\$63,065	(\$8,803)	\$36,586	(\$7,361)
Regulatory Agencies	\$2,073,813	\$2,128,475	\$54,662	(\$5,897)	\$69,243	(\$10,417)	\$1,733
Revenue	\$4,319,453	\$4,863,376	\$543,923	\$149,614	\$395,436	(\$2,831)	\$1,704
State	\$516,059	\$524,642	\$8,583	\$0	\$8,583	\$0	\$0
Transportation	\$533,729	\$566,179	\$32,450	\$0	\$32,450	\$0	\$0
Treasury	\$107,692	\$118,129	\$10,437	\$7,402	\$3,035	\$0	\$0
<b>TOTAL</b>	<b>\$96,758,520</b>	<b>\$100,495,338</b>	<b>\$3,736,818</b>	<b>\$2,221,270</b>	<b>\$294,722</b>	<b>\$1,156,090</b>	<b>\$64,736</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 set in statute are converted to a blended rate for the fiscal year. For FY 2020-21, 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 and shall increase by four-tenths of one percent at the start of each calendar year through 2023. For FY 2020-21, the blended rate for Judicial is 4.0 percent. The SAED calculation is described below:

Calculation Detail - SAED	
Department Revised Base Salary	\$610,000
SAED @ 5%	\$610,000 * 5%
= Requested SAED Appropriation	\$30,500

## FY 2020-21 SAED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SAED							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$1,086,911	\$957,546	(\$129,365)	\$31,334	(\$160,699)	\$0	\$0
Corrections	\$18,302,638	\$18,583,144	\$280,506	\$286,059	(\$5,553)	\$0	\$0
Education	\$2,340,386	\$2,448,136	\$107,750	\$43,666	\$30,717	\$30,351	\$3,016
Governor's Office	\$4,585,267	\$4,881,977	\$296,710	\$42,094	(\$84,211)	\$392,793	(\$53,966)
HCPF	\$1,982,502	\$2,173,132	\$190,630	\$86,343	\$6,931	\$3,296	\$94,060
Higher Education	\$639,698	\$715,301	\$75,603	\$32,079	\$28,119	(\$9,211)	\$24,616
Human Services	\$14,911,325	\$14,848,629	(\$62,696)	(\$238,547)	(\$118,971)	\$570,363	(\$275,541)
Judicial *	\$15,762,493	\$17,432,596	\$1,670,103	\$1,696,994	(\$26,891)	\$0	\$0
Labor and Employment	\$3,950,245	\$4,027,369	\$77,124	\$21,643	(\$23,733)	(\$1,824)	\$81,038
Law	\$2,311,928	\$2,466,057	\$154,129	\$51,715	\$17,223	\$87,900	(\$2,709)
Legislature *	\$1,575,417	\$1,528,072	(\$47,345)	(\$47,345)	\$0	\$0	\$0
Local Affairs	\$688,989	\$722,825	\$33,836	\$1,845	\$3,918	\$12,598	\$15,475
Military Affairs	\$477,108	\$532,832	\$55,724	\$2,476	\$1,346	\$0	\$51,902
Natural Resources	\$5,976,962	\$6,142,256	\$165,294	\$10,065	\$140,040	\$5,728	\$9,461
Personnel and Administration	\$1,365,023	\$1,376,930	\$11,907	\$33,812	(\$41,409)	\$19,504	\$0
Public Health	\$5,424,301	\$5,725,575	\$301,274	\$129,545	\$28,023	\$22,068	\$121,638
Public Safety	\$7,648,673	\$7,732,160	\$83,487	\$63,065	(\$8,803)	\$36,586	(\$7,361)
Regulatory Agencies	\$2,073,813	\$2,128,475	\$54,662	(\$5,897)	\$69,243	(\$10,417)	\$1,733
Revenue	\$4,319,453	\$4,863,376	\$543,923	\$149,614	\$395,436	(\$2,831)	\$1,704
State	\$516,059	\$524,642	\$8,583	\$0	\$8,583	\$0	\$0
Transportation	\$533,729	\$566,179	\$32,450	\$0	\$32,450	\$0	\$0
Treasury	\$107,692	\$118,129	\$10,437	\$7,402	\$3,035	\$0	\$0
<b>TOTAL</b>	<b>\$96,580,612</b>	<b>\$100,495,338</b>	<b>\$3,914,726</b>	<b>\$2,397,962</b>	<b>\$294,794</b>	<b>\$1,156,904</b>	<b>\$65,066</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 2020-21, 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 2020-21 STD DEPARTMENT FUNDING REQUESTS

SUMMARY FOR STD							
Department	FY 2019-20 Appropriation	FY 2020-21 Total Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$28,518	\$30,526	\$2,008	\$2,404	(\$396)	\$0	\$0
Corrections	\$613,889	\$618,318	\$4,429	\$4,764	(\$335)	\$0	\$0
Education	\$79,013	\$82,789	\$3,776	\$1,536	\$1,057	\$1,040	\$143
Governor's Office	\$155,422	\$165,293	\$9,871	\$1,463	(\$2,818)	\$13,038	(\$1,812)
HCPF	\$66,522	\$71,787	\$5,265	\$2,727	\$194	(\$567)	\$2,911
Higher Education	\$20,496	\$22,296	\$1,800	\$1,008	\$224	(\$272)	\$840
Human Services	\$496,291	\$492,827	(\$3,464)	(\$8,932)	(\$4,046)	\$20,269	(\$10,755)
Judicial *	\$475,857	\$501,174	\$25,317	\$25,825	(\$508)	\$0	\$0
Labor and Employment	\$134,288	\$136,404	\$2,116	\$704	(\$998)	(\$58)	\$2,468
Law	\$78,605	\$83,845	\$5,240	\$1,758	\$586	\$2,988	(\$92)
Legislature *	\$43,395	\$45,480	\$2,085	\$2,085	\$0	\$0	\$0
Local Affairs	\$22,787	\$23,913	\$1,126	\$18	\$154	\$419	\$535
Military Affairs	\$15,637	\$17,849	\$2,212	\$212	\$50	\$0	\$1,950
Natural Resources	\$179,974	\$186,306	\$6,332	\$3,574	\$1,771	\$523	\$464
Personnel and Administration	\$45,912	\$45,858	(\$54)	\$962	(\$1,417)	\$401	\$0
Public Health	\$178,977	\$190,486	\$11,509	\$4,530	\$1,451	\$892	\$4,636
Public Safety	\$255,645	\$257,969	\$2,324	\$2,068	(\$745)	\$1,247	(\$246)
Regulatory Agencies	\$69,899	\$72,015	\$2,116	(\$188)	\$2,574	(\$331)	\$61
Revenue	\$145,802	\$164,713	\$18,911	\$5,080	\$13,863	(\$95)	\$63
State	\$17,109	\$17,448	\$339	\$0	\$339	\$0	\$0
Transportation	\$18,123	\$18,893	\$770	\$0	\$770	\$0	\$0
Treasury	\$3,662	\$3,817	\$155	\$124	\$31	\$0	\$0
<b>TOTAL</b>	<b>\$3,145,823</b>	<b>\$3,250,006</b>	<b>\$104,183</b>	<b>\$51,722</b>	<b>\$11,801</b>	<b>\$39,494</b>	<b>\$1,166</b>

\*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 2019-20 Long Bill.

Note: The Short-Term Disability table above only includes the base request for FY 2020-21. 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 late autumn of each year, so if necessary, the Department may submit a FY 2020-21 budget amendment with revised figures in January 2020. The request amounts shown for HLD should be considered a placeholder for the future budget amendment.

For the FY 2020-21 total compensation request, the estimated health contribution rates represent the total combined potential premium increase. The health premiums are projected to increase by five percent while the dental premiums are projected to increase by three percent. The following table shows the placeholder amounts that are included in the November 1 request for FY 2020-21 for Health, Life and Dental.

<b>FY 2020-21 Health, Life, and Dental State Contributions by Tier and Plan</b>					
<b>Plan</b>	<b>Tier</b>	<b>Tier Description</b>	<b>Health</b>	<b>Dental</b>	<b>Life</b>
United Healthcare HDHP	1	Employee	\$623.44	\$28.72	\$7.66
	2	Employee + Spouse	\$1,158.74	\$47.22	\$7.66
	3	Employee + Child(ren)	\$1,147.52	\$51.46	\$7.66
	4	Family	\$1,627.68	\$68.95	\$7.66
United Healthcare Co-Pay	1	Employee	\$628.32	\$28.72	\$7.66
	2	Employee + Spouse	\$1,169.00	\$47.22	\$7.66
	3	Employee + Child(ren)	\$1,156.78	\$51.46	\$7.66
	4	Family	\$1,642.32	\$68.95	\$7.66
Kaiser Permanente HDHP	1	Employee	\$537.68	\$28.72	\$7.66
	2	Employee + Spouse	\$994.70	\$47.22	\$7.66
	3	Employee + Child(ren)	\$985.48	\$51.46	\$7.66
	4	Family	\$1,395.32	\$68.95	\$7.66
Kaiser Permanente Co-Pay	1	Employee	\$606.68	\$28.72	\$7.66
	2	Employee + Spouse	\$1,137.48	\$47.22	\$7.66
	3	Employee + Child(ren)	\$1,114.70	\$51.46	\$7.66
	4	Family	\$1,598.56	\$68.95	\$7.66

### HLD CALCULATION DETAIL

The budget request is based on employee health and dental elections by tier and by plan as of July 2019. 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.

<b>Calculation Detail - HLD</b>	
Tier 1 Health (United Healthcare HDHP)	\$623.44
+ Tier 1 Dental (Basic)	\$28.72
+ Life	\$7.66
= Monthly State Contribution Request (one employee)	\$659.82

## **FY 2020-21 HLD DEPARTMENT FUNDING REQUESTS**

<b>SUMMARY FOR Health Life Dental</b>							
<b>Department</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Total Request</b>	<b>FY 2020-21 Total Base Adj</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Agriculture	\$2,906,815	\$3,306,348	\$399,533	\$123,702	\$275,831	\$0	\$0
Corrections	\$60,376,278	\$63,389,226	\$3,012,948	\$2,921,090	\$91,858	\$0	\$0
Education	\$6,060,188	\$6,709,144	\$648,956	\$376,952	\$95,606	\$153,157	\$23,240
Governor's Office	\$11,082,641	\$12,826,570	\$1,743,929	\$70,948	(\$75,005)	\$1,863,095	(\$115,109)
HCPF	\$4,784,250	\$6,009,222	\$1,224,972	\$490,832	\$104,710	\$12,444	\$616,986
Higher Education	\$2,177,159	\$2,203,027	\$25,868	\$32,923	\$84,816	\$2,364	(\$94,234)
Human Services	\$49,710,058	\$50,499,826	\$789,768	(\$883,003)	\$355,549	\$1,128,686	\$188,537
Judicial *	\$48,527,971	\$53,004,043	\$4,476,072	\$4,455,735	\$20,337	\$0	\$0
Labor and Employment	\$12,324,761	\$13,099,778	\$775,017	\$69,098	\$80,501	(\$1,166)	\$626,584
Law	\$5,069,951	\$5,535,510	\$465,559	\$109,825	\$21,978	\$331,864	\$1,892
Legislature *	\$3,399,595	\$3,707,449	\$307,854	\$307,854	\$0	\$0	\$0
Local Affairs	\$1,905,688	\$2,045,659	\$139,971	\$39,026	\$37,339	\$52,269	\$11,336
Military Affairs	\$1,217,997	\$1,463,898	\$245,901	\$5,086	\$995	\$0	\$239,819
Natural Resources	\$16,667,226	\$18,103,445	\$1,436,219	\$27,148	\$1,162,633	\$206,029	\$40,410
Personnel and Administration	\$4,273,241	\$4,358,747	\$85,506	\$91,862	(\$211,901)	\$205,545	\$0
Public Health	\$13,796,201	\$15,384,637	\$1,588,436	\$585,643	\$331,222	\$116,536	\$555,034
Public Safety	\$20,926,391	\$22,060,735	\$1,134,344	\$54,249	\$955,953	\$132,476	(\$8,334)
Regulatory Agencies	\$5,549,722	\$5,984,809	\$435,087	(\$31,498)	\$445,400	(\$15,266)	\$36,451
Revenue	\$13,219,761	\$16,880,070	\$3,660,309	\$622,449	\$3,046,556	(\$21,357)	\$12,662
State	\$1,368,546	\$1,454,213	\$85,667	\$0	\$85,667	\$0	\$0
Transportation	\$1,344,811	\$1,458,525	\$113,714	\$0	\$113,714	\$0	\$0
Treasury	\$329,198	\$309,131	(\$20,067)	(\$34,809)	\$14,742	\$0	\$0
<b>TOTAL</b>	<b>\$287,018,449</b>	<b>\$309,794,012</b>	<b>\$22,775,563</b>	<b>\$9,435,112</b>	<b>\$7,038,501</b>	<b>\$4,166,676</b>	<b>\$2,135,273</b>

\*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 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 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, and based on the total estimated program need for FY 2020-21.

Beginning in FY 2019-20, the PERA Direct Distribution is included as an operating common policy within DPA, but this common policy does not function like other operating common policies in that DPA does not incur any overhead costs or collect revenue from State departments. The PERA common policy is merely a mechanism for the State to access fund sources other than

General Fund in order to pay its proportional share of the \$225 million annual payment from the State Treasurer to PERA beginning July 1, 2019 and every fiscal year thereafter until the unfunded liability has been addressed pursuant to SB18-200.

In FY 2019-20, JBC approved a new common policy for the Document Solutions Group (DSG). DSG is a subdivision of the Department of Personnel & Administration's Integrated Documents Solutions (IDS) that serves the scanning and document-related needs of State agencies. DSG has two major customers, the Department of Revenue (DOR) and Secretary of State (SOS), in addition to several smaller customers with one-time or short term business needs. In an effort to provide more stability in the rates for its two largest customers, the Department has implemented the DSG common policy for DOR and SOS starting in FY 2020-21.

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 2020-21 ADMINISTRATIVE LAW JUDGE ESTIMATED COSTS**

For FY 2020-21, 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 2020-21.

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.

<b>FY 2020-21 Administrative Law Judge Request</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
Personal Services	3,986,442	4,118,645
Total Compensations Common Policies	983,242	1,071,791
Operating OIT Common Policies	1,093,449	1,127,294
Operating Expenses	170,933	172,233
Indirect Costs	206,880	270,464
Fund Balance Adjustment	137,164	(367,821)
<b>Total</b>	<b>6,578,110</b>	<b>6,392,606</b>

- **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, Merit Pay, Increased Employer PERA Contribution, and PERA Direct Distribution.
- **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 2020-21.
- **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:

<b>FY 2020-21 Administrative Law Judge Fund Balance Projection</b>	
<b>Description</b>	<b>Amount</b>
Final Fund Balance - FY19	\$615,734
Projected FY20 Revenue	\$6,579,038
Projected FY20 Expense	\$6,450,640
Final Fund Balance - FY20 Proj.	\$744,132
FY21 - Personal Services	\$4,118,645
FY21 - Operating	\$172,233
FY21 - Indirect Costs	\$270,464
FY21 - Total Expenditure Base	\$4,561,342
Targeted Fund Bal - 8.25% of Exp Base	\$376,311
<b>Addition / (Reduction) Required to Reach Target</b>	<b>(\$367,821)</b>



## 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 2020-21 Administrative Law Judge Request table) and allocates the cost proportionally by department, according to the prior fiscal year's actual ALJ Services usage.

<b>FY 2020-21 Administrative Law Judge Service Allocation for State Agencies</b>				
<b>Department</b>	<b>FY 2018-19 Utilization Percentage</b>	<b>FY 2020-21 Request</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Incremental Need</b>
Department of Agriculture	0.37%	23,355	12,224	11,131
Department of Corrections	0.00%	0	0	0
Department of Education	2.21%	141,413	233,596	(92,183)
Office of the Governor	0.00%	0	0	0
Department of Health Care Policy & Finance	11.51%	735,806	663,321	72,485
Department of Higher Education	0.00%	0	796	(796)
Department of Human Services	12.98%	829,807	949,488	(119,681)
Judicial	0.00%	0	0	0
Department of Labor and Employment	64.12%	4,098,659	4,196,732	(98,073)
Department of Law	0.01%	775	1,307	(532)
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	0.00%	0	615	(615)
Department of Personnel and Administration	0.05%	2,945	3,588	(643)
Department of Public Health & Environment	0.82%	52,436	68,297	(15,861)
Department of Public Safety	0.00%	310	0	310
Department of Regulatory Agencies	7.64%	488,137	353,655	134,482
Department of Revenue	0.02%	1,405	2,099	(694)
Department of State	0.26%	16,886	87,114	(70,228)
Department of Transportation	0.01%	672	5,278	(4,606)
Department of Treasury	0.00%	0	0	0
<b>Total</b>	<b>100.00%</b>	<b>6,392,606</b>	<b>6,578,110</b>	<b>(185,504)</b>

## FY 2020-21 ADMINISTRATIVE LAW JUDGE DEPARTMENT FUNDING REQUESTS

Summary of FY 2020-21 Request for Administrative Law Judge						
Department	FY 2020-21 Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$23,355	\$11,131	\$0	\$11,131	\$0	\$0
Corrections	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$141,413	(\$92,183)	\$0	(\$76,272)	(\$15,911)	\$0
Governor	\$0	\$0	\$0	\$0	\$0	\$0
Health Care Policy and Financing	\$735,806	\$72,485	\$24,040	\$7,212	\$2,437	\$38,796
Higher Education	\$0	(\$796)	\$0	(\$796)	\$0	\$0
Human Services	\$829,807	(\$119,681)	(\$42,407)	\$0	(\$77,274)	\$0
Judicial	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$4,098,659	(\$98,073)	(\$233)	(\$97,215)	\$0	(\$625)
Law	\$775	(\$532)	\$0	(\$532)	\$0	\$0
Legislative	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$0	\$0	\$0	\$0	\$0	\$0
Military and Veteran Affairs	\$0	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$0	(\$615)	\$0	(\$615)	\$0	\$0
Personnel and Administration	\$2,945	(\$643)	\$0	(\$643)	\$0	\$0
Public Health and Environment	\$52,436	(\$15,861)	\$0	\$0	(\$15,861)	\$0
Public Safety	\$310	\$310	\$310	\$0	\$0	\$0
Regulatory Agencies	\$488,137	\$134,482	\$6,076	\$128,406	\$0	\$0
Revenue	\$1,405	(\$694)	\$0	(\$694)	\$0	\$0
State	\$16,886	(\$70,228)	\$0	(\$70,228)	\$0	\$0
Transportation	\$672	(\$4,606)	\$0	(\$4,606)	\$0	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$6,392,606</b>	<b>(\$185,504)</b>	<b>(\$12,214)</b>	<b>(\$104,852)</b>	<b>(\$106,609)</b>	<b>\$38,171</b>

Note: The table above only includes the base request for FY 2020-21. Any additional changes due to change requests from this or other departments are not reflected in the numbers above. Fund Splits in this table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process, in supporting documents. Fund Splits have been estimated based on the FY 2019-20 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 2020-21 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 2020-21					
Description	FY 2019-20 Appropriation	FY 2020-21 Request	Liability	Property	Workers' Comp
<b>Overhead Allocation %</b>		<b>100.0%</b>	<b>36.0%</b>	<b>5.0%</b>	<b>59.0%</b>
Personal Services	\$801,711	\$826,178	\$297,424	\$41,309	\$487,445
Total Compensation Common Policies	\$229,094	\$220,374	\$79,090	\$12,762	\$128,524
Operating and OIT Common Policies	\$221,569	\$233,271	\$92,473	\$29,306	\$111,492
Operating Expenses	\$62,318	\$62,318	\$22,434	\$3,116	\$36,768
Indirect Costs	\$234,443	\$52,100	\$18,756	\$2,605	\$30,739
<b>Total Program Overhead</b>	<b>\$1,549,135</b>	<b>\$1,394,241</b>	<b>\$510,176</b>	<b>\$89,098</b>	<b>\$794,967</b>

- **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 Workers' Compensation program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey, Merit Pay, Increased Employer PERA Contribution and net to gross changes, and PERA Direct Distribution.

- **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 2020-21.

**Program and Policy Costs**

The following table details the Workers’ Compensation program and policy costs for FY 2020-21, including the overhead expenses as determined above in the Calculation of Program Overhead for FY 2020-21 table.

<b>Workers' Compensation Program and Policy Costs</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
<b>(C) Risk Management Services</b>		
Program Overhead Expenses	\$882,874	\$794,967
Actuarial and Broker Services	\$37,500	\$37,500
RMIS Service Fees	\$64,434	\$64,434
<b>Total Risk Management Program Administration</b>	<b>\$984,808</b>	<b>\$896,901</b>
<b>(4) Workers' Compensation</b>		
<b>Workers' Compensation Claims</b>	<b>\$34,979,129</b>	<b>\$33,938,768</b>
<b>Workers' Compensation TPA Fees and Loss Control</b>	<b>\$2,050,000</b>	<b>\$1,850,000</b>
TPA Fees	\$2,000,000	\$1,800,000
Loss Control Incentives	\$50,000	\$50,000
<b>Total Workers' Compensation Excess Policy</b>	<b>\$935,600</b>	<b>\$830,000</b>
Excess Policy	\$705,600	\$600,000
CDLE Permit	\$2,000	\$2,000
CDLE Surcharge	\$228,000	\$228,000
<b>Workers' Compensation Legal Services</b>	<b>\$2,232,710</b>	<b>\$1,786,251</b>
<b>DHS Prior Year Claim Payouts</b>	<b>\$70,000</b>	<b>\$65,000</b>
<b>Adjustment to Targeted Fund Balance</b>	<b>(\$8,061,386)</b>	<b>(\$9,615,401)</b>
<b>Total Workers' Compensation Allocations</b>	<b>\$33,190,861</b>	<b>\$29,751,520</b>

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 2020-21 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 2020-21, 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.

<b>Workers’ Compensation Fund Balance Adjustment</b>	
FY 2018-19 End-of-Year Fund Balance	19,977,077
Reversal of FY 2017-18 Transfer of \$2,911,727	2,911,727
FY 2019-20 Expenditure Estimate	(41,102,041)
FY 2019-20 Agency Billings	33,190,861
FY 2020-21 Estimated End-of-Year Fund Balance	14,977,624
Targeted Fund Balance %'s	5%/10%
<b>TARGET FUND BALANCE FY 2020-21</b>	<b>5,362,223</b>
Increase / (Decrease) to Common Policy Request	(\$9,615,401)

## **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 Pinnacol Assurance. The following tables show the allocated percentages as well as the total amount allocated to each department or institution for FY 2020-21.

<b>FY 2020-21 Workers' Compensation Allocations for All State Agencies</b>			
<b>Agency</b>	<b>Code</b>	<b>% Allocation</b>	<b>\$ Base Allocation</b>
Agriculture	AG	0.5770%	\$171,666
Corrections	CO	18.6420%	\$5,546,279
Education	ED	1.1030%	\$328,159
Governor's Office	EX	0.9200%	\$273,714
Health Care Policy & Finance	HC	0.4320%	\$128,527
Higher Education	HE	8.6120%	\$2,562,201
Human Services	HS		
Cost Allocation Share		27.6860%	\$8,172,006
Prior Year Claims			\$65,000
<i>Human Services subtotal</i>			\$8,237,006
Judicial	JD	4.7210%	\$1,404,569
Labor & Employment	LA	1.7240%	\$512,916
Law	LW	0.6950%	\$206,773
Legislature	LE	0.1180%	\$35,107
Local Affairs	LO	0.3930%	\$116,923
Military Affairs	MA	0.3310%	\$98,478
Natural Resources	NR	4.5970%	\$1,367,677
Personnel	GS	0.9240%	\$274,904
Public Health	PH	1.4370%	\$427,529
Public Safety	PS	7.4920%	\$2,228,984
Regulatory Agencies	RG	0.6820%	\$202,905
Revenue	RV	2.3290%	\$692,913
Secretary of State	ST	0.1400%	\$41,652
Transportation	HI	16.4360%	\$4,889,960
Treasury	TR	0.0090%	\$2,678
<b>Allocation Totals</b>		<b>100.00%</b>	<b>\$29,751,520</b>

<b>FY 2020-21 Workers' Compensation Allocations for Higher Education</b>			
<b>Agency</b>	<b>Code</b>	<b>% Allocation</b>	<b>\$ Base Allocation</b>
Arapahoe Community College	AR	3.221%	\$82,528
Auraria Higher Education Center	AU	8.941%	\$229,086
College Invest	OB	0.452%	\$11,581
Colorado Commission on Higher Education	HE	0.847%	\$21,702
Colorado State University - Pueblo	SC	7.623%	\$195,317
Community College of Aurora	CA	3.094%	\$79,274
Community College System	CC	3.144%	\$80,556
CSU - Global	CG	1.448%	\$37,101
Denver Community College	CD	5.102%	\$130,723
Front Range Community College	FR	11.404%	\$292,193
History Colorado	HS	1.419%	\$36,358
Lamar Community College	LA	1.159%	\$29,696
Metropolitan State University of Denver	ME	12.365%	\$316,816
Morgan Community College	MO	1.098%	\$28,133
Northeastern Junior College	NE	2.144%	\$54,934
Northwestern Community College	NW	2.213%	\$56,702
Otero Junior College	OT	3.165%	\$81,094
Pikes Peak Community College	PP	12.084%	\$309,616
Private Occupational	PS	0.048%	\$1,230
Pueblo Community College	PV	6.053%	\$155,090
Red Rocks Community College	RR	8.944%	\$229,163
Trinidad State Junior College	TR	4.032%	\$103,308
<b>Allocation Totals</b>		<b>100.00%</b>	<b>\$2,562,201</b>

## FY 2020-21 WORKERS' COMPENSATION DEPARTMENT FUNDING REQUESTS

Summary for Workers' Compensation							
Department	FY 2019-20 Appropriation	FY 2020-21 Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$209,767	\$171,666	(\$38,101)	(\$7,535)	(\$30,566)	\$0	\$0
Corrections	\$5,943,515	\$5,546,279	(\$397,236)	(\$384,683)	(\$12,553)	\$0	\$0
Education	\$446,087	\$328,159	(\$117,928)	(\$52,675)	(\$15,389)	(\$7,969)	(\$41,895)
Governor's Office	\$376,386	\$273,714	(\$102,672)	(\$9,062)	\$0	(\$93,610)	\$0
Health Care Policy & Finance	\$110,040	\$128,527	\$18,487	\$6,132	\$1,839	\$621	\$9,895
Higher Education **	\$2,943,379	\$2,562,201	(\$381,178)	\$0	(\$210,193)	(\$170,985)	\$0
Human Services	\$9,006,714	\$8,237,006	(\$769,708)	(\$433,066)	\$0	(\$336,642)	\$0
Judicial *	\$1,464,056	\$1,404,569	(\$59,487)	(\$59,487)	\$0	\$0	\$0
Labor & Employment	\$620,340	\$512,916	(\$107,424)	(\$10,577)	(\$44,996)	(\$1,053)	(\$50,798)
Law	\$211,095	\$206,773	(\$4,322)	(\$1,231)	(\$615)	(\$2,361)	(\$115)
Legislature *	\$30,204	\$35,107	\$4,903	\$4,903	\$0	\$0	\$0
Local Affairs	\$125,130	\$116,923	(\$8,207)	(\$2,809)	(\$1,864)	(\$3,534)	\$0
Military Affairs	\$108,535	\$98,478	(\$10,057)	(\$4,753)	\$0	\$0	(\$5,304)
Natural Resources	\$1,447,792	\$1,367,677	(\$80,115)	(\$3,577)	(\$75,257)	(\$793)	(\$488)
Personnel	\$328,591	\$274,904	(\$53,687)	(\$14,791)	(\$5,048)	(\$33,848)	\$0
Public Health	\$460,359	\$427,529	(\$32,830)	\$0	\$0	(\$32,830)	\$0
Public Safety	\$2,760,829	\$2,228,984	(\$531,845)	\$0	(\$365,143)	(\$166,702)	\$0
Regulatory Agencies	\$214,082	\$202,905	(\$11,177)	(\$367)	(\$10,274)	(\$371)	(\$165)
Revenue	\$939,970	\$692,913	(\$247,057)	(\$95,851)	(\$151,206)	\$0	\$0
Secretary of State *	\$35,846	\$41,652	\$5,806	\$0	\$5,806	\$0	\$0
Transportation	\$5,405,821	\$4,889,960	(\$515,861)	\$0	(\$515,861)	\$0	\$0
Treasury *	\$2,323	\$2,678	\$355	\$355	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$33,190,861</b>	<b>\$29,751,520</b>	<b>(\$3,439,341)</b>	<b>(\$1,069,074)</b>	<b>(\$1,431,320)</b>	<b>(\$850,077)</b>	<b>(\$88,870)</b>

Note: Fund Splits in this table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process. Fund Splits have been estimated based on the FY 2019-20 Long Bill. The table above only includes the base request for FY 2020-21. 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 2019-20 Long Bill.

\*\*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 2020-21 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.

<b>Calculation of Program Overhead for FY 2020-21</b>					
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>	<b>Liability</b>	<b>Property</b>	<b>Workers' Comp</b>
<b>Overhead Allocation %</b>		<b>100.0%</b>	<b>36.0%</b>	<b>5.0%</b>	<b>59.0%</b>
Personal Services	\$801,711	\$826,178	\$297,424	\$41,309	\$487,445
Total Compensation Common Policies	\$229,094	\$220,374	\$79,090	\$12,762	\$128,524
Operating and OIT Common Policies	\$221,569	\$233,271	\$92,473	\$29,306	\$111,492
Operating Expenses	\$62,318	\$62,318	\$22,434	\$3,116	\$36,768
Indirect Costs	<u>\$234,443</u>	<u>\$52,100</u>	<u>\$18,756</u>	<u>\$2,605</u>	<u>\$30,739</u>
<b>Total Program Overhead</b>	<b>\$1,549,135</b>	<b>\$1,394,241</b>	<b>\$510,176</b>	<b>\$89,098</b>	<b>\$794,967</b>

**Program and Policy Costs**

The following table details Liability Program and Policy Costs for the FY 2020-21, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2020-21 table.

<b>Liability Program and Policy Costs</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
<b>(C) Risk Management Services</b>		
Program Overhead Expenses	\$543,193	\$510,176
Total Actuarial and Broker Services	\$42,073	\$42,073
Risk Management Information System	\$64,434	\$64,434
<b>Total Risk Management Program Administration</b>	<b>\$649,700</b>	<b>\$616,683</b>
<b>2) Liability</b>		
<i>Liability Claims</i>	\$4,488,729	\$4,072,571
<i>Liability Excess Policy</i>	\$829,662	\$899,250
<i>Liability Legal Services</i>	\$3,663,745	\$3,455,035
<b>Total Liability</b>	<b>\$8,982,136</b>	<b>\$8,426,856</b>
<b>C-SEAP Funding</b>	<b>\$1,735,650</b>	<b>\$1,857,146</b>
<b>Adjustment to Targeted Fund Balance</b>	<b>(\$1,249,688)</b>	<b>(\$2,465,410)</b>
<b>Total Liability Allocations</b>	<b>\$10,117,798</b>	<b>\$8,435,275</b>

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 by the Colorado Governmental Immunity Act to \$350,000 per person or \$990,000 per occurrence pursuant to § 24-10-114 (1) (a), C.R.S. Additionally, effective in FY 2018-19, this line includes a cybersecurity liability insurance policy, which provides cybersecurity liability coverage to all state agencies that are also covered by the Office of Information Technology (OIT). The cost represented in the table is the value the Department anticipates paying for this coverage in FY 2020-21.
- **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.

<b>Calculation of FY 2020-21 CSEAP Funding Request</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
Personal Services	\$873,187	\$904,520
Total Compensation Common Policies	\$276,797	\$289,729
Operating Expenses	\$58,388	\$58,338
Operating Common Policies	\$323,607	\$325,243
Indirect Costs	\$203,721	\$279,316
<b>Total</b>	<b>\$1,735,700</b>	<b>\$1,857,146</b>

- **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 2020-21, 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.

<b>Liability Fund Balance Adjustment</b>	
FY 2018-19 End-of-Year Fund Balance	4,239,107
FY 2019-20 Expenditure Estimate	(10,939,204)
FY 2019-20 Agency Billings	10,117,798
FY 2020-21 Estimated End-of-Year Fund Balance	3,417,701
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2020-21	\$952,291
Increase / (Decrease) to Common Policy Request	(\$2,465,410)

## **FY 2020-21 ESTIMATED COSTS – PROPERTY**

### ***Calculation Methodology***

The Department surveys state agencies annually to determine the total value of the State's buildings 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.

<b>Calculation of Program Overhead for FY 2020-21</b>					
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>	<b>Liability</b>	<b>Property</b>	<b>Workers' Comp</b>
<b>Overhead Allocation %</b>		<b>100.0%</b>	<b>36.0%</b>	<b>5.0%</b>	<b>59.0%</b>
Personal Services	\$801,711	\$826,178	\$297,424	\$41,309	\$487,445
Total Compensation Common Policies	\$229,094	\$220,374	\$79,090	\$12,762	\$128,524
Operating and OIT Common Policies	\$221,569	\$233,271	\$92,473	\$29,306	\$111,492
Operating Expenses	\$62,318	\$62,318	\$22,434	\$3,116	\$36,768
Indirect Costs	<u>\$234,443</u>	<u>\$52,100</u>	<u>\$18,756</u>	<u>\$2,605</u>	<u>\$30,739</u>
<b>Total Program Overhead</b>	<b>\$1,549,135</b>	<b>\$1,394,241</b>	<b>\$510,176</b>	<b>\$89,098</b>	<b>\$794,967</b>

**Program and Policy Costs**

The following table details the total FY 2020-21 costs for the Property Program, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2020-21 table.

<b>Property Program and Policy Costs</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
<b>(C) Risk Management Services</b>		
Program Overhead Expenses	\$95,537	\$89,098
Actuarial and Broker Services	\$187,427	\$187,427
RMIS Service Fees	\$64,434	\$64,434
<b>Total Risk Management Program Administration</b>	<b>\$347,398</b>	<b>\$340,959</b>
<b>(3) Property</b>		
<b><i>Property Policies</i></b>	<b><u>\$6,708,011</u></b>	<b><u>\$9,557,740</u></b>
Property & Boiler Policies	\$6,097,993	\$8,551,640
Terrorism Premium	\$230,000	\$230,000
Flood Zone A Premiums	\$0	\$500,000
Crime Policy	\$380,018	\$276,100
<b><i>Policy Deductibles and Payouts</i></b>	<b><i>\$5,800,000</i></b>	<b><i>\$5,800,000</i></b>
<b>Adjustment to Targeted Fund Balance</b>	<b>\$2,675,563</b>	<b>(\$4,741,019)</b>
<b>Total Property Allocations</b>	<b>\$15,530,972</b>	<b>\$10,957,680</b>

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 \$1,000,000 self-insured retention. 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 A Premiums represent 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 2020-21 the Property & Boiler Policies contract amount was increased due to a contract renewal and bid process.
- **Policy Deductibles and Payouts:** As of FY 2020-21, the Property program pays a self-insured retention rather than a deductible, as the State now provides all adjusting services in-house. This line provides the estimated payout for residuals, required by the policies above. With the exception of incidents of losses over \$1,000,000, the State is self-funded for the majority of claims filed under the property policy. For FY 2020-21, the Policy Deductibles and Payouts estimated cost increased based on the FY 2017-18 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 2020-21, 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.

<b>Property Fund Balance Adjustment</b>	
FY 2018-19 End-of-Year Fund Balance	6,321,980
Reversal of FY 2017-18 Transfer of \$2,911,727	(2,911,727)
FY 2019-20 Expenditure Estimate	(12,835,272)
FY 2019-20 Agency Billings	15,530,972
FY 2020-21 Estimated End-of-Year Fund Balance	6,105,953
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2020-21	\$1,364,935
Increase / (Decrease) to Common Policy Request	(\$4,741,018)

#### **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 2020-21. 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.

<b>FY 2020-21 Liability Allocations for State Agencies</b>			
<b>Agency</b>	<b>Code</b>	<b>% Allocation</b>	<b>\$ Base Allocation</b>
Agriculture	AG	1.216%	\$102,580
Corrections	CO	13.273%	\$1,119,632
Education	ED	4.114%	\$347,017
Governor's Office	EX	6.174%	\$520,779
Health Care Policy & Finance	HC	1.285%	\$108,394
Higher Education	HE	9.329%	\$786,892
Human Services	HS	9.484%	\$800,033
Judicial	JD	7.870%	\$663,818
Labor & Employment	LA	1.075%	\$90,645
Law	LW	1.683%	\$141,939
Legislature	LE	0.578%	\$48,715
Local Affairs	LO	0.416%	\$35,072
Military Affairs	MA	0.348%	\$29,335
Natural Resources	NR	3.571%	\$301,255
Personnel	GS	1.346%	\$113,575
Public Health	PH	3.404%	\$287,097
Public Safety	PS	7.029%	\$592,894
Regulatory Agencies	RG	1.541%	\$130,004
Revenue	RV	2.615%	\$220,622
Secretary of State	ST	1.084%	\$91,405
Transportation	HI	22.485%	\$1,896,706
Treasury	TR	0.081%	\$6,866
<b>Allocation Totals</b>		<b>100.00%</b>	<b>\$8,435,275</b>

<b>FY 2020-21 Liability Allocations for Higher Education</b>			
<b>Agency</b>	<b>Code</b>	<b>% Allocation</b>	<b>\$ Base Allocation</b>
Arapahoe Community College	AR	3.756%	\$29,556
Auraria Higher Education Center	AU	3.308%	\$26,029
College Invest	OB	0.627%	\$4,933
Colorado Commission on Higher Education	HE	0.953%	\$7,499
Colorado State University - Pueblo	SC	15.976%	\$125,711
Community College of Aurora	CA	2.289%	\$18,010
Community College System	CC	9.074%	\$71,403
CSU - Global	CG	2.608%	\$20,525
Denver Community College	CD	6.129%	\$48,228
Front Range Community College	FR	4.618%	\$36,338
History Colorado	HS	1.235%	\$9,720
Lamar Community College	LA	0.716%	\$5,633
Metropolitan State University of Denver	ME	24.514%	\$192,900
Morgan Community College	MO	1.058%	\$8,326
Northeastern Junior College	NE	1.394%	\$10,969
Northwestern Community College	NW	1.571%	\$12,365
Otero Junior College	OT	1.354%	\$10,658
Pikes Peak Community College	PP	9.021%	\$70,986
Private Occupational	PS	0.046%	\$365
Pueblo Community College	PV	4.207%	\$33,103
Red Rocks Community College	RR	3.276%	\$25,778
Trinidad State Junior College	TR	2.269%	\$17,857
<b>Allocation Totals</b>		<b>100.00%</b>	<b>\$786,892</b>



<b>FY 2020-21 Property Allocations for State Agencies</b>				
<b>Agency</b>	<b>Code</b>	<b>Building &amp; Contents Value</b>	<b>% Allocation</b>	<b>\$ Allocation</b>
Agriculture	AG	\$81,150,257	0.82%	\$90,128
Corrections	CO	\$1,627,179,458	16.49%	\$1,807,193
Education	ED	\$72,153,466	0.73%	\$80,136
Governor's Office	EX	\$91,754,671	0.93%	\$101,905
Health Care Policy & Finance	HC	\$4,046,765	0.04%	\$4,494
Higher Education	HE	\$3,081,488,941	31.23%	\$3,422,391
Human Services	HS	\$958,159,427	9.71%	\$1,064,160
Judicial	JD	\$183,639,850	1.86%	\$203,956
Labor & Employment	LA	\$41,510,178	0.42%	\$46,102
Law	LW	\$6,419,716	0.07%	\$7,130
Legislature	LE	\$5,594,609	0.06%	\$6,214
Local Affairs	LO	\$13,185,841	0.13%	\$14,645
Military Affairs	MA	\$117,394,803	1.19%	\$130,382
Natural Resources	NR	\$642,975,651	6.52%	\$714,107
Personnel	GS	\$689,620,352	6.99%	\$765,912
Public Health	PH	\$102,959,464	1.04%	\$114,350
Public Safety	PS	\$151,806,486	1.54%	\$168,601
Regulatory Agencies	RG	\$20,795,173	0.21%	\$23,096
Revenue	RV	\$53,582,950	0.54%	\$59,511
Secretary of State	ST	\$8,814,390	0.09%	\$9,790
Transportation	HI	\$1,911,769,111	19.38%	\$2,123,266
Treasury	TR	\$190,226	0.00%	\$211
<b>Allocation Totals</b>		<b>\$9,866,191,786</b>	<b>100.00%</b>	<b>\$10,957,680</b>

<b>FY 2020-21 Estimated Property Allocations for Higher Education</b>				
<b>Agency</b>	<b>Code</b>	<b>Building &amp; Contents Value</b>	<b>% Allocation</b>	<b>\$ Allocation</b>
Adams State University	AS	\$0	0.000%	\$0
Arapahoe Community College	AR	\$182,300,902	5.916%	\$202,469
Auraria Higher Education Center	AU	\$700,481,462	22.732%	\$777,975
College Access Network/College Assist	GL	\$31,254	0.001%	\$35
College Invest	OB	\$750,550	0.024%	\$834
Colorado Commission on Higher Education	HE	\$556,225	0.018%	\$618
Colorado School of Mines	MI	\$0	0.000%	\$0
Colorado State University - Pueblo	SC	\$360,915,794	11.712%	\$400,843
Community College of Aurora	CA	\$42,365,456	1.375%	\$47,052
Community College System	CC	\$0	0.000%	\$0
CSU - Global	CG	\$0	0.000%	\$0
Denver Community College	CD	\$37,054,615	1.202%	\$41,154
Front Range Community College	FR	\$231,313,554	7.507%	\$256,904
History Colorado	HS	\$134,939,553	4.379%	\$149,868
Lamar Community College	LA	\$65,015,047	2.110%	\$72,208
Metropolitan State University of Denver	ME	\$140,450,788	4.558%	\$155,989
Morgan Community College	MO	\$52,759,143	1.712%	\$58,596
Northeastern Junior College	NE	\$139,426,955	4.525%	\$154,851
Northwestern Community College	NW	\$84,343,832	2.737%	\$93,675
Occupational Ed. Division	OE	\$178,410,651	5.790%	\$198,148
Otero Junior College	OT	\$74,679,727	2.423%	\$82,941
Pikes Peak Community College	PP	\$200,945,616	6.521%	\$223,176
Pueblo Community College	PV	\$153,962,835	4.996%	\$170,995
Red Rocks Community College	RR	\$189,999,102	6.166%	\$211,018
Trinidad State Junior College	TR	\$110,785,881	3.595%	\$123,042
Western State Colorado University	WS	\$0	0.000%	\$0
<b>Allocation Totals</b>		<b>\$3,081,488,941</b>	<b>100.00%</b>	<b>\$3,422,391</b>

*Combined Allocation for Payment to Risk Management and Property Funds*

<b>Payments to Risk Management and Property Fund Request FY 2020-21</b>					
<b>Department</b>	<b>Liability Base Need</b>	<b>Property Need</b>	<b>Total Liability + Property</b>	<b>FY 2019-20 Long Bill</b>	<b>Incremental Adjustment</b>
Agriculture	\$102,580	\$90,128	\$192,708	\$236,382	(\$43,674)
Corrections	\$1,119,632	\$1,807,193	\$2,926,825	\$4,388,047	(\$1,461,222)
Education	\$347,017	\$80,136	\$427,153	\$448,387	(\$21,234)
Governor's Office	\$520,779	\$101,905	\$622,684	\$445,277	\$177,407
Health Care Policy & Finance	\$108,394	\$4,494	\$112,888	\$121,413	(\$8,525)
Higher Education	\$786,892	\$3,422,391	\$4,209,283	\$5,709,505	(\$1,500,222)
Human Services	\$800,033	\$1,064,160	\$1,864,193	\$2,431,421	(\$567,228)
Judicial	\$663,818	\$203,956	\$867,774	\$1,058,074	(\$190,300)
Labor & Employment	\$90,645	\$46,102	\$136,747	\$158,059	(\$21,312)
Law	\$141,939	\$7,130	\$149,069	\$231,888	(\$82,819)
Legislature	\$48,715	\$6,214	\$54,929	\$65,621	(\$10,692)
Local Affairs	\$35,072	\$14,645	\$49,717	\$60,465	(\$10,748)
Military Affairs	\$29,335	\$130,382	\$159,717	\$220,252	(\$60,535)
Natural Resources	\$301,255	\$714,107	\$1,015,362	\$1,200,854	(\$185,492)
Personnel	\$113,575	\$765,912	\$879,487	\$1,225,710	(\$346,223)
Public Health	\$287,097	\$114,350	\$401,447	\$515,403	(\$113,956)
Public Safety	\$592,894	\$168,601	\$761,495	\$948,955	(\$187,460)
Regulatory Agencies	\$130,004	\$23,096	\$153,100	\$172,369	(\$19,269)
Revenue	\$220,622	\$59,511	\$280,133	\$310,447	(\$30,314)
Secretary of State	\$91,405	\$9,790	\$101,195	\$115,864	(\$14,669)
Transportation	\$1,896,706	\$2,123,266	\$4,019,972	\$5,576,327	(\$1,556,355)
Treasury	\$6,866	\$211	\$7,077	\$8,050	(\$973)
<b>Totals</b>	<b>\$8,435,275</b>	<b>\$10,957,680</b>	<b>\$19,392,955</b>	<b>\$25,648,770</b>	<b>(\$6,255,815)</b>

## FY 2020-21 RISK MANAGEMENT DEPARTMENT FUNDING REQUESTS

Summary for Payments to Risk Management							
Department	FY 2019-20 Appropriation	FY 2020-21 Request	Base Adj.	GF	CF	RF	FF
Agriculture	\$236,382	\$192,708	(\$43,674)	(\$25,720)	(\$17,954)	\$0	\$0
Corrections	\$4,388,047	\$2,926,825	(\$1,461,222)	(\$1,403,499)	(\$57,723)	\$0	\$0
Education	\$448,387	\$427,153	(\$21,234)	(\$21,234)	\$0	\$0	\$0
Governor's Office	\$445,277	\$622,684	\$177,407	\$28,040	\$0	\$149,367	\$0
Health Care Policy & Finance	\$121,413	\$112,888	(\$8,525)	(\$2,827)	(\$848)	(\$287)	(\$4,563)
Higher Education**	\$5,709,505	\$4,209,283	(\$1,500,222)	\$0	(\$1,453,569)	(\$46,653)	\$0
Human Services	\$2,431,421	\$1,864,193	(\$567,228)	(\$403,969)	\$0	(\$163,259)	\$0
Judicial *	\$1,058,074	\$867,774	(\$190,300)	(\$190,300)	\$0	\$0	\$0
Labor & Employment	\$158,059	\$136,747	(\$21,312)	(\$2,098)	(\$8,927)	(\$209)	(\$10,078)
Law	\$231,888	\$149,069	(\$82,819)	(\$23,598)	(\$11,777)	(\$45,249)	(\$2,195)
Legislature *	\$65,621	\$54,929	(\$10,692)	(\$10,692)	\$0	\$0	\$0
Local Affairs	\$60,465	\$49,717	(\$10,748)	(\$3,690)	(\$2,414)	(\$4,644)	\$0
Military Affairs	\$220,252	\$159,717	(\$60,535)	(\$60,535)	\$0	\$0	\$0
Natural Resources	\$1,200,854	\$1,015,362	(\$185,492)	(\$11,407)	(\$171,029)	(\$1,827)	(\$1,229)
Personnel	\$1,225,710	\$879,487	(\$346,223)	(\$95,391)	(\$32,550)	(\$218,282)	\$0
Public Health	\$515,403	\$401,447	(\$113,956)	\$0	\$0	(\$113,956)	\$0
Public Safety	\$948,955	\$761,495	(\$187,460)	\$0	(\$21,043)	(\$166,417)	\$0
Regulatory Agencies	\$172,369	\$153,100	(\$19,269)	(\$633)	(\$17,713)	(\$639)	(\$284)
Revenue	\$310,447	\$280,133	(\$30,314)	(\$11,777)	(\$18,537)	\$0	\$0
Secretary of State *	\$115,864	\$101,195	(\$14,669)	\$0	(\$14,669)	\$0	\$0
Transportation	\$5,576,327	\$4,019,972	(\$1,556,355)	\$0	(\$1,556,355)	\$0	\$0
Treasury *	\$8,050	\$7,077	(\$973)	(\$973)	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$25,648,770</b>	<b>\$19,392,955</b>	<b>(\$6,255,815)</b>	<b>(\$2,240,303)</b>	<b>(\$3,385,108)</b>	<b>(\$612,055)</b>	<b>(\$18,349)</b>

Note: Fund Splits in this table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process. Fund Splits have been estimated based on the FY 2019-20 Long Bill. The table above only includes the base request for FY 2020-21. 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 2019-20 Long Bill.

\*\*Includes non-appropriated institutions of Higher Education. 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 2020-21 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.

<b>FY 2020-21 Capitol Complex Leased Space Base Adjustment</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
Personal Services	\$3,367,247	\$3,459,756
Total Compensation Common Policies	\$1,049,852	\$1,120,546
DCA Admin Allocation	\$435,447	\$439,020
Operating Expenses	\$2,705,456	\$2,705,456
Capitol Complex Repairs	\$56,520	\$56,520
Operating and OIT Common Policies	\$1,372,353	\$1,468,418
Depreciation Estimate	\$240,000	\$245,000
Energy Performance Depreciation	\$2,138,125	\$2,138,125
Utilities	\$3,245,431	\$3,358,657
Capitol Complex Security	\$476,928	\$476,928
Indirect Costs	\$884,389	\$884,389
Sprint Leased Tower Space	(\$47,618)	(\$47,618)
<b>Total Base Costs</b>	\$15,924,129	\$16,305,198
Fund Balance Adjustment	(\$1,449,898)	(\$1,485,971)
<b>Total Allocable Cost</b>	\$14,474,231	\$14,819,227
Allocated Square Feet	1,273,241	1,273,241
<b>Estimated Cost Per Square Foot</b>	\$11.37	\$11.64

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 CCLS program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey, Merit Pay, Increased Employer PERA Contribution, and PERA Direct Distribution.
- **DCA Admin Allocation:** This includes CCLS share of Division of Capital Assets Administration's Personal Services, Operating Expense, and Indirect Cost Assessment.
- **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 2020-21. 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 2020-21.

- **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.

<b>Estimate of Fund Balance Adjustment for FY 2020-21</b>	
<b>Description</b>	<b>Amount</b>
FY 2018-19 End-of-Year Cash Balance	\$6,266,651
Estimated FY 2019-20 Expenditures	\$15,924,130
Estimated FY 2019-20 Revenues	\$14,088,629
Estimated FY 2019-20 End-of-Year Balance	\$4,431,150
Approved Capital Asset Set Aside Balance	\$1,600,000
Net Available Operating Fund Balance	\$2,831,150
FY 2020-21 Estimated Base Expenditures	\$16,305,198
Targeted Operating Fund Balance (8.25%)	\$1,345,179
Total Target Reserve	\$2,945,179
<b>Addition/(Reduction) Required to Reach Target</b>	<b>(\$1,485,971)</b>

## UTILITIES METHODOLOGY

For FY 2020-21, 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 details this calculation:

<b>FY 2020-21 Utilities Build for Capitol Complex Leased Space</b>					
	<b>Utility Type</b>				
	<b>Electric</b>	<b>Gas</b>	<b>Steam</b>	<b>Water &amp; Sewer</b>	<b>Total Utilities Need</b>
<b>Denver</b>					
FY 2018-19 Total Usage	<b>19,791,235</b>	<b>116,285</b>	<b>17,822</b>	<b>33,056,000</b>	
FY 2018-19 Total Billing	\$1,753,006	\$101,052	\$513,399	\$231,828	
FY 2018-19 Average Billing Rate	0.08860	0.8690	28.8071	0.0070	
Estimated Rate Increase FY 2018-19 to FY 2020-21	5%	5%	15%	3%	
Projected Rate	0.0930	0.9125	33.1282	0.0072	
FY 2020-21 Estimated Need by Utility	\$1,840,585	\$106,110	\$590,408	\$238,003	<b>\$2,775,106</b>
	<b>Electric</b>	<b>Gas</b>	<b>Steam</b>	<b>Water &amp; Sewer</b>	<b>Total Utilities Need</b>
<b>Grand Junction</b>					
FY 2018-19 Total Usage	<b>622,880</b>	<b>8,784</b>		<b>704,000</b>	
FY 2018-19 Total Billing	\$60,458	\$5,618		\$5,719	
FY 2018-19 Average Billing Rate	0.0971	0.6396		0.0081	
Estimated Rate Increase FY 2018-19 to FY 2020-21	5%	5%		3%	
Projected Rate	0.1020	0.6716		0.0083	
FY 2020-21 Estimated Need by Utility	\$63,534	\$5,899		\$7,776	<b>\$77,209</b>
	<b>Electric</b>	<b>Gas</b>	<b>Steam</b>	<b>Water &amp; Sewer</b>	<b>Total Utilities Need</b>
<b>Camp George West</b>					
FY 2018-19 Total Usage				10,962	
FY 2018-19 Total Billing				\$88,472	
FY 2018-19 Average Billing Rate				8.0708	
Estimated Rate Increase FY 2018-19 to FY 2020-21				3%	
Projected Rate				8.3129	
FY 2020-21 Estimated Need by Utility				\$91,126	<b>\$91,126</b>

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:

<b>FY 2020-21 Utilities Line Item Build</b>		
<b>Description</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Request</b>
Allocated Utilities	\$2,636,575	\$2,943,441
Performance Contract Interest Payment	\$485,879	\$415,216
Subtotal Allocated Amount	\$3,122,454	\$3,358,657
Performance Contract Principal Payment	\$1,452,844	\$1,562,238
True-Up Steam Rebates	\$339,407	\$371,595
Total Request Utilities Line Item Request	\$4,914,706	\$5,292,490



## 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 2020-21.

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	2,850	0	8,231
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
Regulatory Agencies	0	0	0	0	0	0
Revenue	73,685	89,031	2,119	5,919	0	170,754
Transportation	100	0	0	13,917	13,703	27,720
Treasury	3,351	0	0	0	0	3,351
<b>Total</b>	<b>754,454</b>	<b>89,031</b>	<b>89,534</b>	<b>35,145</b>	<b>305,077</b>	<b>1,273,241</b>

FY 2020-21 Estimated Cost per Square Foot					
Description	Denver	Pierce	North Campus	Grand Junction	Camp George West
Cost per Square Foot	\$17.37	\$10.46	\$2.71	\$7.89	\$0.85

FY 2020-21 Total Estimated Need by Agency						
Agency	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Corrections	\$0	\$0	\$0	\$0	\$39,656	\$39,656
Correctional Industries	\$0	\$0	\$0	\$0	\$15,857	\$15,857
Education	\$730,601	\$0	\$0	\$0	\$0	\$730,601
Governor, Lt Governor, OSPB	\$343,677	\$0	\$0	\$0	\$0	\$343,677
OIT	\$240,696	\$0	\$0	\$10,614	\$0	\$251,310
Health Care Policy and Financing	\$577,961	\$0	\$0	\$0	\$0	\$577,961
Human Services	\$1,553,827	\$0	\$0	\$0	\$0	\$1,553,827
Labor & Employment	\$0	\$0	\$14,600	\$22,475	\$0	\$37,075
Legislature	\$2,480,106	\$0	\$0	\$0	\$0	\$2,480,106
Local Affairs	\$662,109	\$0	\$0	\$29,832	\$0	\$691,941
Military and Veterans Affairs	\$0	\$0	\$0	\$0	\$47,442	\$47,442
Natural Resources	\$1,377,437	\$0	\$0	\$0	\$0	\$1,377,437
Personnel	\$2,182,177	\$0	\$222,583	\$22,498	\$0	\$2,427,258
Public Health and Environment	\$0	\$0	\$0	\$35,305	\$0	\$35,305
Public Safety	\$1,621,538	\$0	\$0	\$0	\$144,489	\$1,766,027
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$1,280,276	\$931,434	\$5,749	\$46,677	\$0	\$2,264,136
Transportation	\$0	\$0	\$0	\$109,748	\$11,637	\$121,385
Treasury	\$58,224	\$0	\$0	\$0	\$0	\$58,224
<b>Total</b>	<b>\$13,108,629</b>	<b>\$931,434</b>	<b>\$242,932</b>	<b>\$277,149</b>	<b>\$259,081</b>	<b>\$14,819,225</b>

Legislature Detail	
Capitol Complex Leased Space Allocation	\$2,480,106
Parking at 1525 Sherman	\$28,800
Conference Center Rental	\$5,200
<b>Total</b>	<b>\$2,514,106</b>

## FY 2020-21 CCLS DEPARTMENT FUNDING REQUESTS

Summary of FY 2020-21 Base Request for Capital Complex Lease Space						
Department	FY 2020-21 Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Agriculture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corrections	\$ 55,513	\$ (1,358)	\$ (970)	\$ (388)	\$ -	\$ -
Education	\$ 730,601	\$ 37,213	\$ 11,164	\$ 4,458	\$ 7,238	\$ 14,353
Governor	\$ 594,987	\$ 30,459	\$ 8,555	\$ -	\$ 21,904	\$ -
Health Care Policy and Financing	\$ 577,961	\$ 30,206	\$ 10,017	\$ 3,006	\$ 1,015	\$ 16,168
Higher Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Human Services	\$ 1,553,827	\$ 79,143	\$ 29,231	\$ -	\$ 49,912	\$ -
Judicial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor and Employment	\$ 37,075	\$ 2,080	\$ 690	\$ 207	\$ 70	\$ 1,114
Law	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative	\$ 2,480,106	\$ 126,323	\$ 126,323	\$ -	\$ -	\$ -
Local Affairs	\$ 691,941	\$ 35,676	\$ 10,906	\$ 6,095	\$ 9,600	\$ 9,075
Military and Veteran Affairs	\$ 47,442	\$ (1,161)	\$ (1,161)	\$ -	\$ -	\$ -
Natural Resources	\$ 1,377,437	\$ 70,159	\$ 13,184	\$ 35,636	\$ 13,687	\$ 7,652
Personnel and Administration	\$ 2,427,258	\$ 121,914	\$ 43,097	\$ 5,314	\$ 73,503	\$ -
Public Health and Environment	\$ 35,305	\$ 2,310	\$ -	\$ -	\$ 2,310	\$ -
Public Safety	\$ 1,766,027	\$ 79,434	\$ 27,688	\$ 21,685	\$ 30,061	\$ -
Regulatory Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue	\$ 2,264,136	\$ 107,847	\$ 74,899	\$ 32,948	\$ -	\$ -
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	\$ 121,385	\$ 16,134	\$ -	\$ 8,590	\$ 67	\$ 7,477
Treasury	\$ 58,224	\$ 4,232	\$ 4,232	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 14,819,225</b>	<b>\$ 740,611</b>	<b>\$ 357,855</b>	<b>\$ 117,551</b>	<b>\$ 209,367</b>	<b>\$ 55,838</b>

\* Non-Executive branch agencies are not required to submit budget proposals to the Governor's Office. Fund Splits in this table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process, in supporting documents Fund Splits have been estimated based on the FY 2019-20 Long Bill.

Note: The table above only includes the base request for FY 2020-21. 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 2020-21 CORE ESTIMATED COSTS

For FY 2020-21, the request includes a base adjustment to the CORE Operations line item for each department based on updated program expenditures anticipated for FY 2020-21. 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 document count in the most recent complete fiscal year.

FY 2020-21 CORE Operations Base Adjustment		
Description	FY 2019-20 Appropriation	FY 2020-21 Request
Personal Services	\$1,888,741	\$1,955,276
Total Compensation Common Policies	\$432,708	\$468,030
Operating Expenses	\$59,590	\$59,590
Operating and OIT Common Policies	\$590,873	\$756,109
Payment for CORE and Support Modules	\$6,592,280	\$6,592,280
Depreciation	\$4,853,674	\$4,831,451
Fund Balance Adjustments	(\$5,880,433)	(\$3,995,729)
<b>Total</b>	<b>\$8,537,433</b>	<b>\$10,667,006</b>

- **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 Operations program staff for the following: Health, Life, and Dental, Short-term Disability, AED, SAED, Salary Survey, Merit Pay, Increased Employer PERA Contribution, and PERA Direct Distribution.
- **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 allocations have been subsidized each fiscal year with funds from the Supplier Database Cash Fund. The FY 2020-21 request includes a subsidization of \$2,948,595 from the Supplier Database Cash Fund to offset the CORE Operations common policy allocation. The Department has requested to retain a reserve of 16.5 percent of the estimated FY 2019-20 year-end fund balance.

<b>FY 2020-21 Supplier Database Fund 2810 Fund Balance</b>	
<b>Description</b>	<b>Amount</b>
Final Fund Balance - FY 2018-19 Projected	\$5,085,740
Projected FY 2019-20 Revenue	\$2,700,000
Projected FY 2019-20 Expense	\$4,254,489
Final Fund Balance - FY 2019-20 Projected	\$3,531,251
Fund Balance Reserve - 16.5% of Fund Balance	\$582,656
<b>Addition/(reduction) to Allocations</b>	<b>(\$2,948,595)</b>

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, a reduction of \$1,047,135 has been requested for FY 2020-21.

<b>FY 2020-21 Statewide Financial IT System 6140 Fund Balance Projection</b>	
<b>Description</b>	<b>Amount</b>
Final Fund Balance - FY 2018-19 Projected	\$3,154,108
Projected FY 2019-20 Revenue	\$11,486,028
Projected FY 2019-20 Expense	\$13,426,774
Final Fund Balance - FY 2019-20 Projected	\$1,213,361
Fund Balance Reserve - 8.25% PS/OE	\$166,226
<b>Addition/(reduction) to Allocations</b>	<b>(\$1,047,135)</b>

### **CORE COST ALLOCATION TO DEPARTMENTS**

CORE Operations allocations to departments are based on the 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 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.

<b>FY 2020-21 CORE Incremental Need by Department</b>					
<b>Agency</b>	<b>FY 2019-20 Appropriation</b>	<b>% CORE Documents</b>	<b>FY 2020-21 Estimated Allocation</b>	<b>Incremental Need over/(under)</b>	<b>% Change</b>
Agriculture	\$108,625	1.36%	\$145,304	\$36,679	33.77%
Corrections	\$362,156	3.75%	\$400,272	\$38,116	10.52%
Education	\$246,047	3.07%	\$327,125	\$81,078	32.95%
Governor	\$294,606	3.46%	\$368,553	\$73,947	25.10%
Health Care Policy and Financing	\$139,608	1.73%	\$184,939	\$45,331	32.47%
Higher Education	\$203,523	2.58%	\$274,875	\$71,352	35.06%
Human Services	\$1,011,831	12.19%	\$1,299,814	\$287,983	28.46%
Judicial	\$1,218,149	17.60%	\$1,877,756	\$659,607	54.15%
Labor and Employment	\$389,151	4.79%	\$510,598	\$121,447	31.21%
Law	\$47,529	0.56%	\$60,148	\$12,619	26.55%
Legislature	\$36,274	0.45%	\$48,420	\$12,146	33.48%
Local Affairs	\$393,438	4.87%	\$519,401	\$125,963	32.02%
Military and Veteran Affairs	\$57,710	0.72%	\$76,867	\$19,157	33.20%
Natural Resources	\$923,668	5.78%	\$616,928	(\$306,740)	-33.21%
Personnel	\$325,975	3.62%	\$385,648	\$59,673	18.31%
Public Health and Environment	\$1,026,236	7.93%	\$846,297	(\$179,939)	-17.53%
Public Safety	\$306,883	3.60%	\$383,683	\$76,800	25.03%
Regulatory Agencies	\$278,781	3.39%	\$361,907	\$83,126	29.82%
Revenue	\$783,059	12.59%	\$1,343,376	\$560,317	71.55%
State	\$20,499	0.23%	\$24,384	\$3,885	18.95%
Transportation	\$120,791	1.58%	\$168,188	\$47,397	39.24%
Treasury	\$257,646	4.15%	\$442,523	\$184,877	71.76%
<b>Total</b>	<b>\$8,552,185</b>	<b>100.00%</b>	<b>\$10,667,006</b>	<b>\$2,114,821</b>	<b>24.73%</b>

## FY 2020-21 CORE DEPARTMENT FUNDING REQUESTS

Summary for CORE Operations							
Department	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Base Adj.	GF	CF	RF	FF
Agriculture	\$108,625	\$145,304	\$36,679	\$4,950	\$26,924	\$4,805	\$0
Corrections	\$362,156	\$400,272	\$38,116	\$33,341	\$2,307	\$2,468	\$0
Education	\$246,047	\$327,125	\$81,078	\$34,799	\$12,072	\$34,207	\$0
Governor's Office	\$294,606	\$368,553	\$73,947	\$0	\$3,362	\$67,331	\$3,254
Health Care Policy & Finance	\$139,608	\$184,939	\$45,331	\$15,034	\$4,510	\$1,524	\$24,263
Higher Education	\$203,523	\$274,875	\$71,352	\$0	\$27,984	\$43,368	\$0
Human Services	\$1,011,831	\$1,299,814	\$287,983	\$158,269	\$0	\$129,714	\$0
Judicial	\$1,218,149	\$1,877,756	\$659,607	\$659,607	\$0	\$0	\$0
Labor & Employment	\$389,151	\$510,598	\$121,447	\$11,959	\$50,869	\$1,190	\$57,429
Law	\$47,529	\$60,148	\$12,619	\$3,595	\$1,795	\$6,894	\$335
Legislature	\$36,274	\$48,420	\$12,146	\$12,146	\$0	\$0	\$0
Local Affairs	\$393,438	\$519,401	\$125,963	\$33,180	\$22,028	\$41,755	\$29,000
Military Affairs	\$57,710	\$76,867	\$19,157	\$19,157	\$0	\$0	\$0
Natural Resources	\$923,668	\$616,928	(\$306,740)	(\$11,801)	(\$285,932)	(\$3,690)	(\$5,317)
Personnel	\$325,975	\$385,648	\$59,673	\$16,440	\$5,611	\$37,622	\$0
Public Health	\$1,026,236	\$846,297	(\$179,939)	(\$17,569)	\$0	(\$162,370)	\$0
Public Safety	\$306,883	\$383,683	\$76,800	\$0	\$0	\$76,800	\$0
Regulatory Agencies	\$278,781	\$361,907	\$83,126	\$3,221	\$74,609	\$4,280	\$1,016
Revenue	\$783,059	\$1,343,376	\$560,317	\$213,801	\$346,516	\$0	\$0
Secretary of State	\$20,499	\$24,384	\$3,885	\$0	\$3,885	\$0	\$0
Transportation	\$120,791	\$168,188	\$47,397	\$0	\$47,397	\$0	\$0
Treasury	\$257,646	\$442,523	\$184,877	\$83,195	\$101,682	\$0	\$0
<b>TOTAL</b>	<b>\$8,552,185</b>	<b>\$10,667,006</b>	<b>\$2,114,821</b>	<b>\$1,273,324</b>	<b>\$445,619</b>	<b>\$285,898</b>	<b>\$109,980</b>

Note: The table above only includes the base request for FY 2020-21. 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. Fund Splits in this table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process. Fund Splits have been estimated based on the FY 2019-20 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 2020-21 no request for variable vehicle costs has been submitted.

For FY 2020-21, the Department has submitted a funding request, R-05 Annual Fleet Vehicle Request, to replace 740 fleet vehicles (325 which are designated as potential alternative fuel vehicles). This will require an increase of \$143,012 in appropriated funds for all state agencies' Vehicle Lease Payment appropriations, and an increase of \$1,416,155 for the Department's Vehicle Replacement Lease/Purchase line item for FY 2020-21.

<b>Lease Line Reconciliation for FY 2020-21</b>				
<b>Dept</b>	<b>Division</b>	<b>Long Bill Vehicle Lease Payment Appropriation for FY 2019-20</b>	<b>Total Need After Requested Replacements</b>	<b>Decision Item Figures for Agencies' Schedule 13</b>
<b>Long Bill Appropriated Agencies</b>				
CDPS	EDO	665,310	484,216	(181,094)
CDPS	Colorado State Patrol	7,784,422	8,266,404	481,982
CDPS	CBI	392,872	450,812	57,940
<b>CDPS</b>	<b>CDPS Total</b>	<b>8,842,604</b>	<b>9,201,432</b>	<b>358,828</b>
CDA	Agriculture	301,300	292,563	(8,737)
CDHS	Department of Human Services	1,172,030	1,046,268	(125,762)
CDLE	Labor and Employment	198,169	198,733	564
DOC	Department of Corrections	3,478,263	3,341,090	(137,173)
DOE	Department of Education	23,667	26,196	2,529
DOL	Attorney General	66,876	61,432	(5,444)
DOLA	Local Affairs	102,033	93,280	(8,753)
DOMA	Military Affairs	94,479	64,566	(29,913)
DONR	Natural Resources	4,238,560	4,424,332	185,772
DOR	Department of Revenue	655,143	645,798	(9,345)
DORA	Regulatory Agencies	261,291	233,807	(27,484)
DOS	Secretary of State	6,175	8,239	2,064
DPA	Dept of Personnel	256,499	262,054	5,555
DPHE	Department of Health	446,938	366,588	(80,350)
GOV	Economic Development	12,042	19,044	7,002
GOV	CEO	3,036	8,237	5,201
GOV	OIT	86,456	109,663	23,207
JUD	Public Defender	121,872	110,092	(11,780)
JUD	Courts	121,289	118,318	(2,971)
<b>Total Long Bill Appropriated Agencies</b>		<b>20,488,722</b>	<b>20,631,734</b>	<b>143,012</b>
<b>Non Long Bill Appropriated Agencies</b>				
CDOT	Department of Transportation	2,425,510	2,431,579	49,181
DOHE	Higher Education Total	1,099,842	1,005,146	237,283
<b>Total Non Appropriated Agencies</b>		<b>3,525,352</b>	<b>3,436,725</b>	<b>286,464</b>
<b>Statewide Total</b>		<b>24,014,074</b>	<b>24,068,460</b>	<b>429,476</b>

## PERA DIRECT DISTRIBUTION

Senate Bill 18-200 became law in FY 2018-19, and beginning in FY 2019-20, a new common policy has been added for the PERA Direct Distribution. On July 1<sup>st</sup> of each fiscal year beginning in FY 2019-20, the \$225 million direct distribution from the State Treasurer to the Colorado Public Employees' Retirement Association (PERA) can include fund sources other than General Fund, and this common policy has been developed so the State can access these Cash, Reappropriated and Federal Fund sources. Unlike other common policies within DPA, these allocations will not be paid to a fund within DPA, rather, they will be transferred internally to the State Treasury in order for the transfer to occur on the first day of each fiscal year. For this reason, there are no overhead costs associated with this common policy and no fund has been created for this common policy.

The estimated costs for the PERA Direct Distribution are shown below and are based on actual payroll expenses from FY 2017-18 and compared to the covered payroll values from the most recently published PERA Comprehensive Annual Financial Report published in June 2019. The table below illustrates the calculation for the amount that is requested to be allocated across all departments.

<b>PERA Direct Distribution Calculation - Payroll Basis</b>	
	Covered payroll from PERA CAFR (pg 114)
State Division	\$2,898,827,000
School Division	\$4,789,503,000
Local Government Division	\$660,998,000
Judicial Division	\$50,506,000
DPS Division	\$722,040,000
<b>Total</b>	<b>\$9,121,874,000</b>
<b>Total Excluding Local Government Division</b>	<b>\$8,460,876,000</b>
Total Gross Payroll FY18 (from Central Payroll):	\$2,032,512,793
Percent of Gross Payroll to Allocate Across State Departments	24.02%
Total Direct Distribution	\$225,000,000
<b>Total to Allocate</b>	<b>\$54,050,595</b>

**FY 2020-21 PERA DIRECT DISTRIBUTION DEPARTMENT FUNDING REQUESTS**

<b>FY 2020-21 PERA Direct Distribution Common Policy Allocations by Department</b>				
<b>Cabinet</b>	<b>Department</b>	<b>Gross Salary FY18</b>	<b>%</b>	<b>Direct Distribution Allocations for FY21</b>
A	Personnel & Administration	\$ 25,259,571	1.24%	\$ 671,728
B	Agriculture	\$ 18,099,057	0.89%	\$ 481,308
C	Corrections	\$ 353,047,366	17.37%	\$ 9,388,586
D	Education	\$ 45,910,070	2.26%	\$ 1,220,885
E	Governor's Office	\$ 91,288,164	4.49%	\$ 2,427,624
F	Public Health	\$ 100,474,291	4.94%	\$ 2,671,912
G	Higher Education	\$ 16,588,290	0.82%	\$ 441,132
H	Transportation	\$ 195,434,945	9.62%	\$ 5,197,200
I	Human Services	\$ 280,154,256	13.78%	\$ 7,450,138
J	Judicial	\$ 318,506,879	15.67%	\$ 8,470,053
K	Labor & Employment	\$ 76,551,046	3.77%	\$ 2,035,721
L	Law	\$ 42,161,951	2.07%	\$ 1,121,212
M	Legislature	\$ 24,833,928	1.22%	\$ 660,409
N	Local Affairs	\$ 12,157,742	0.60%	\$ 323,311
O	Military & Veterans Affairs	\$ 8,960,343	0.44%	\$ 238,282
P	Natural Resources	\$ 110,408,074	5.43%	\$ 2,936,081
R	Public Safety	\$ 145,126,676	7.14%	\$ 3,859,352
S	Regulatory Agencies	\$ 39,108,260	1.92%	\$ 1,040,006
T	Revenue	\$ 80,591,783	3.97%	\$ 2,143,176
U	Health Care Policy & Finance	\$ 36,746,958	1.81%	\$ 977,212
V	Secretary of State	\$ 9,224,938	0.45%	\$ 245,319
W	Treasury	\$ 1,878,204	0.09%	\$ 49,947
<b>Total</b>		<b>\$ 2,032,512,793</b>	<b>100.00%</b>	<b>\$ 54,050,594</b>

<b>SUMMARY FOR PERA DIRECT DISTRIBUTION COMMON POLICY</b>							
<b>Department</b>	<b>FY 2019-20 Appropriation</b>	<b>FY 2020-21 Total Request</b>	<b>FY 2020-21 Total Base Adj</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Agriculture	\$511,033	\$481,308	(\$29,725)	\$24,929	(\$54,654)	\$0	\$0
Corrections	\$9,854,160	\$9,388,586	(\$465,574)	(\$440,546)	(\$25,028)	\$0	\$0
Education	\$1,288,681	\$1,220,885	(\$67,796)	(\$16,923)	(\$3,726)	\$868	(\$48,016)
Governor's Office	\$2,540,398	\$2,427,624	(\$112,774)	\$36,524	(\$40,979)	(\$79,896)	(\$28,423)
HCPF	\$1,009,022	\$977,212	(\$31,810)	(\$5,335)	(\$6,872)	\$1,856	(\$21,458)
Higher Education	\$380,532	\$441,132	\$60,600	\$22,631	(\$27,058)	\$24,867	\$40,160
Human Services	\$7,703,887	\$7,450,138	(\$253,749)	(\$273,606)	(\$63,745)	\$240,408	(\$156,806)
Judicial *	\$10,609,023	\$8,470,053	(\$2,138,970)	(\$2,070,202)	(\$68,768)	\$0	\$0
Labor and Employment	\$2,186,326	\$2,035,721	(\$150,605)	(\$83)	(\$85,184)	(\$2,005)	(\$63,333)
Law	\$1,173,886	\$1,121,212	(\$52,674)	(\$9,617)	(\$10,096)	(\$28,352)	(\$4,609)
Legislature *	\$693,846	\$660,409	(\$33,437)	(\$33,437)	\$0	\$0	\$0
Local Affairs	\$334,253	\$323,311	(\$10,942)	(\$4,012)	(\$2,825)	(\$4,729)	\$625
Military Affairs	\$250,154	\$238,282	(\$11,872)	(\$165,465)	\$95	\$0	\$153,498
Natural Resources	\$3,072,937	\$2,936,081	(\$136,856)	(\$32,923)	(\$98,301)	(\$4,380)	(\$1,252)
Personnel and Administration	\$704,134	\$671,728	(\$32,406)	\$2,513	(\$23,200)	(\$11,718)	\$0
Public Health	\$2,815,876	\$2,671,912	(\$143,964)	\$18,319	(\$86,212)	(\$19,920)	(\$56,151)
Public Safety	\$3,989,993	\$3,859,352	(\$130,641)	(\$19,727)	(\$100,879)	(\$490)	(\$9,545)
Regulatory Agencies	\$1,068,890	\$1,040,006	(\$28,884)	(\$4,854)	(\$15,460)	(\$8,874)	\$304
Revenue	\$2,218,686	\$2,143,176	(\$75,510)	(\$36,645)	(\$34,955)	(\$1,844)	(\$2,066)
State	\$256,802	\$245,319	(\$11,483)	\$0	(\$11,483)	\$0	\$0
Transportation	\$5,503,207	\$5,197,200	(\$306,007)	\$0	(\$306,007)	\$0	\$0
Treasury	\$52,281	\$49,947	(\$2,334)	(\$1,130)	(\$1,204)	\$0	\$0
<b>TOTAL</b>	<b>\$58,218,007</b>	<b>\$54,050,594</b>	<b>(\$4,167,413)</b>	<b>(\$3,009,587)</b>	<b>(\$1,066,543)</b>	<b>\$105,790</b>	<b>(\$197,074)</b>

## DOCUMENT SOLUTIONS GROUP

The Department of Personnel & Administration’s Integrated Documents Solutions (IDS) includes a subdivision located in Pueblo that serves the scanning and document-related needs of State agencies. This group, the Document Solution Group (DSG), has until FY 2019-20 employed an expense pooling methodology in setting the rates for all services it offers. DSG has two major customers, the Department of Revenue (DOR) and Secretary of State (SOS), in addition to several smaller customers with one-time or short term business needs. In an effort to provide more stability in the rates for its two largest customers, the Department has compiled a created a common policy for those two customers.

<b>FY 2020-21 Document Solution Group Request</b>	
<b>Description</b>	<b>FY 2020-21</b>
Personal Services	3,316,259
DCS Admin Allocation	319,694
Operating and OIT Common Policies	1,001,696
Operating Expenses	985,776
Indirect Cost	74,090
Cost Related to Other Customers	(744,521)
North Campus Only Expenses	7,550
Fund Balance Adjustment	336,003
<b>Total</b>	<b>5,296,547</b>

### FY 2020-21 ESTIMATED COSTS

- **Personal Services:** The amount requested for Personal Services accounts for the base building impact of Salary Survey and Merit Pay, if any.
- **DCS Admin Allocation:** This includes DSG share of Division of Central Services Administration’s Personal Services, Operating Expense, and Indirect Cost Assessment.
- **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 2020-21.
- **Cost Related to Other Customers:** Removing any expenses from the Cool Pool that do not relate to DOR or SOS.
- **North Campus Only Expenses:** Adding in the North Campus expenses into the Cost Pool for expenses associated with SOS only.

- **Fund Balance Adjustment:** A portion of the standard IDS fund balance adjustment will be applied to the overall cost pool for the DSG common policy. This ensures that the fund in its entirety will be moving toward the overall target on an annual basis, whether through an increase or decrease to the overall fund. The overall fund balance adjustment for IDS will be determined annually, and the portion that falls under DSG will be included as an increase or decrease the common policy cost pool. The remaining adjustments to the IDS fund balance are applied through the rates which are set annually.

## DOCUMENT SOLUTION GROUP ALLOCATION METHODOLOGY

As is the standard approach for all other DPA common policies, the common policy cost pool for DSG includes operating expenses, personal services expenses, and overhead allocations. Personal services expenses include salaries aged to include projected total compensation adjustments, projected overtime and temporary labor needs based on projected volumes, and standard POTS related expenditures. Overhead allocations include the program’s share of statewide common policies billed to the Department, such as Legal Services, Leased Space, Payments to Risk Management, Workers’ Compensation, Administrative Law Judge Services, CORE Operations, Vehicle Lease Payments and Payments to OIT. Operating expenses include all standard operating costs associated with providing services. Additionally, personal services contract costs necessary to support the specific equipment required by DOR are included in the cost pool. Finally, the cost pool will be reduced by the four year average of the revenue derived by customers other than SOS and DOR.

Department	Historical Billing Average (4 Yrs)	Percent of Total Historical Billings	FY 2020-21 Request
Revenue	3,738,833	91.81%	4,855,832
Secretary of State	333,523	8.19%	440,715
<b>Total</b>	<b>4,072,356</b>	<b>100%</b>	<b>5,296,547</b>

## FY 2020-21 DOCUMENT SOLUTION GROUP FUNDING REQUESTS

FY 2020-21 Document Solution Group Funding Request						
Department	FY 2020-21 Request	FY 2020-21 Total Base Adj	GF	CF	RF	FF
Department of Revenue	\$ 4,855,832	\$ (404,756)	\$ (404,756)	\$ -	\$ -	\$ -
Secretary of State	\$ 440,715	\$ 199,126	\$ -	\$ 199,126	\$ -	\$ -
<b>Total</b>	<b>\$ 5,296,547</b>	<b>\$ (205,630)</b>	<b>\$ (404,756)</b>	<b>\$ 199,126</b>	<b>\$ -</b>	<b>\$ -</b>