



**STATEWIDE COMMON
POLICY REQUEST
NOVEMBER 2, 2020**



TABLE OF CONTENTS

	1
Common Policies Overview	1
Total Compensation Common Policies	1
Salary Survey	2
Merit Pay	3
Shift Differential	3
Amortization Equalization Disbursement (AED)	5
Supplemental Amortization Equalization Disbursement (SAED)	6
Short-Term Disability (STD)	8
Health, Life, and Dental (HLD)	9
Operating Common Policies	11
Administrative Law Judge Services	12
Workers' Compensation	16
Payments to Risk Management and Property Funds	22
Capitol Complex Leased Space	34
Colorado Operations and Resource Engine (CORE)	41
Vehicle Lease Payments	45
PERA Direct Distribution	47
Document Solutions Group	50
Statewide Training	51

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 2021-22, 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 2021-22, 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

One component of the Annual Compensation report is a recommendation for salary range adjustments. These adjustments allow the State to keep pace with projected market increases and maintain a prevailing total compensation structure. **For FY 2021-22, the Executive Branch has not requested any adjustments to the salary ranges.**

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 2021-22, the Executive Branch has not requested any adjustments to statewide pay-rates.**

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 2021-22, the Department conducted a system maintenance study for the IT Professional class series. The estimated cost to implement the results of the study on a statewide level is \$1,001,322, however, the Executive Branch has not requested this funding for FY 2021-22.**

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 2021-22 total compensation**

request for all trooper classifications does not include any salary adjustments, consistent with the statewide compensation request.

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 2021-22, the Executive Branch has not requested Merit Pay.**

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 2021-22 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 2021-22.

FY 2021-22 SHIFT DIFFERENTIAL DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SHIFT							
Department	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$0	\$9,738	\$9,738	\$46	\$9,692	\$0	\$0
Corrections	\$8,938,772	\$10,302,900	\$1,364,128	\$1,386,219	(\$22,091)	\$0	\$0
Education	\$116,968	\$86,754	(\$30,214)	(\$30,214)	\$0	\$0	\$0
Governor's Office	\$84,471	\$85,592	\$1,121	\$0	\$0	\$1,121	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$7,746,935	\$8,698,621	\$951,686	\$766,069	\$76,469	\$23,545	\$85,603
Judicial *	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$13,410	\$15,066	\$1,656	\$0	\$0	\$0	\$1,656
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	\$36,438	\$31,625	(\$4,813)	\$0	\$0	\$0	(\$4,813)
Natural Resources	\$38,953	\$48,117	\$9,164	\$0	\$9,164	\$0	\$0
Personnel and Administration	\$42,664	\$48,157	\$5,493	\$0	\$0	\$5,493	\$0
Public Health	\$19,847	\$0	(\$19,847)	(\$865)	(\$11,552)	\$0	(\$7,430)
Public Safety	\$522,432	\$542,784	\$20,352	(\$22)	\$17,194	\$3,180	\$0
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$123,918	\$102,026	(\$21,892)	\$0	(\$21,892)	\$0	\$0
State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$30,643	\$22,118	(\$8,525)	\$0	(\$8,525)	\$0	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$17,715,451	\$19,993,498	\$2,278,047	\$2,121,233	\$48,459	\$33,339	\$75,016

*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 2020-21 Long Bill.

Note: The table above only includes the base request for FY 2021-22. 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. The table below illustrates this calculation:

Shift Differential Calculation Detail - Revised Base Salary	
Department Base Salary	\$500,000
+ Base Building Across-The-Board (ATB) Salary Survey (\$500,000 * 1%)	\$5,000
= New Salary	\$505,000
+ Base Building Merit Pay (\$505,000 * 1%)	\$5,050
= Total Base Salary FY 2021-22	\$510,050
+ Shift Differential Actual FY 2019-20	\$100,000
= Department Revised Base Salary for FY 2021-22	\$610,050

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 2021-22 revised base salary.

AMORTIZATION EQUALIZATION DISBURSEMENT (AED)

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

Calendar Year	State PERA Contribution	AED Contribution	SAED Contribution	Total State Contribution
2010	10.15%	2.20%	1.50%	13.85%
2011	10.15%	2.60%	2.00%	14.75%
2012	10.15%	3.00%	2.50%	15.65%
2013	10.15%	3.40%	3.00%	16.55%
2014	10.15%	3.80%	3.50%	17.45%
2015	10.15%	4.20%	4.00%	18.35%
2016	10.15%	4.60%	4.50%	19.25%
2017	10.15%	5.00%	5.00%	20.15%
2018	10.15%	5.00%	5.00%	20.15%
2019	10.15%	5.00%	5.00%	20.15%
2020	10.40%	5.00%	5.00%	20.40%
2021	10.90%	5.00%	5.00%	20.90%
2022	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 2021-22, 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 2021-22, the blended rate for Judicial is 4.4 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 2021-22 AED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR AED							
Department	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$938,354	\$892,218	(\$46,136)	(\$17,864)	(\$28,272)	\$0	\$0
Corrections	\$19,012,344	\$18,780,232	(\$232,112)	(\$186,752)	(\$45,360)	\$0	\$0
Education	\$2,400,236	\$2,334,222	(\$66,014)	(\$26,285)	(\$26,835)	\$4,041	(\$16,935)
Governor's Office	\$4,783,645	\$5,008,279	\$224,634	\$64,794	\$17,303	\$94,664	\$47,873
HCPF	\$2,188,905	\$2,223,320	\$34,415	\$18,755	\$152	\$2,745	\$12,763
Higher Education	\$704,372	\$683,573	(\$20,799)	\$13,286	(\$23,616)	\$15,841	(\$26,310)
Human Services	\$14,270,203	\$15,433,110	\$1,162,907	\$730,465	\$522,146	(\$1,875,310)	\$1,785,606
Judicial *	\$16,730,077	\$17,097,597	\$367,519	\$845,503	(\$478,503)	\$520	\$0
Labor and Employment	\$3,948,409	\$3,924,539	(\$23,870)	\$17,394	(\$50,859)	\$13,146	(\$3,551)
Law	\$2,388,324	\$2,404,034	\$15,710	(\$118,501)	\$85,835	\$34,776	\$13,600
Legislature *	\$1,528,072	\$1,552,848	\$24,776	\$24,776	\$0	\$0	\$0
Local Affairs	\$708,651	\$713,998	\$5,347	(\$218)	(\$6,715)	\$6,182	\$6,098
Military Affairs	\$522,414	\$546,644	\$24,230	\$42,899	(\$1,423)	\$0	(\$17,246)
Natural Resources	\$6,029,892	\$6,091,329	\$61,437	\$40,621	(\$7,153)	\$20,479	\$7,490
Personnel and Administration	\$1,349,970	\$1,350,650	\$680	\$40,894	(\$10,767)	(\$29,447)	\$0
Public Health	\$5,613,325	\$5,858,966	\$245,641	(\$92,018)	\$223,415	(\$12,374)	\$126,618
Public Safety	\$7,579,897	\$7,510,519	(\$69,378)	\$17,950	(\$73,366)	\$36,391	(\$50,353)
Regulatory Agencies	\$2,085,319	\$2,059,542	(\$25,777)	\$6,245	(\$88,993)	\$1,465	\$55,506
Revenue	\$4,778,411	\$4,605,386	(\$173,025)	\$75,670	(\$241,118)	(\$2,451)	(\$5,126)
State	\$514,355	\$561,438	\$47,083	\$0	\$47,083	\$0	\$0
Transportation	\$555,104	\$606,080	\$50,976	\$0	\$50,976	\$0	\$0
Treasury	\$115,812	\$109,842	(\$5,970)	(\$6,324)	\$354	\$0	\$0
TOTAL	\$98,746,091	\$100,348,366	\$1,602,274	\$1,491,290	(\$135,716)	(\$1,689,332)	\$1,936,033

*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 2020-21 Long Bill.

Note: The table above only includes the base request for FY 2021-22. 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 2021-22, 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 2021-22, the blended rate for Judicial is 4.4 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 2021-22 SAED DEPARTMENT FUNDING REQUESTS

SUMMARY FOR SAED							
Department	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$938,354	\$892,218	(\$46,136)	(\$17,864)	(\$28,272)	\$0	\$0
Corrections	\$19,012,344	\$18,780,232	(\$232,112)	(\$186,752)	(\$45,360)	\$0	\$0
Education	\$2,400,236	\$2,334,222	(\$66,014)	(\$26,285)	(\$26,835)	\$4,041	(\$16,935)
Governor's Office	\$4,783,645	\$5,008,279	\$224,634	\$64,794	\$17,303	\$94,664	\$47,873
HCPF	\$2,188,905	\$2,223,320	\$34,415	\$18,756	\$152	\$2,745	\$12,762
Higher Education	\$704,372	\$683,573	(\$20,799)	\$13,286	(\$23,616)	\$15,841	(\$26,310)
Human Services	\$14,269,957	\$15,433,110	\$1,163,153	\$731,927	\$522,074	(\$1,876,124)	\$1,785,276
Judicial *	\$16,730,077	\$17,097,597	\$367,519	\$845,503	(\$478,503)	\$520	\$0
Labor and Employment	\$3,948,409	\$3,924,539	(\$23,870)	\$17,394	(\$50,859)	\$13,146	(\$3,551)
Law	\$2,388,324	\$2,404,034	\$15,710	(\$118,501)	\$85,835	\$34,776	\$13,600
Legislature *	\$1,528,072	\$1,552,848	\$24,776	\$24,776	\$0	\$0	\$0
Local Affairs	\$708,651	\$713,998	\$5,347	(\$218)	(\$6,715)	\$6,182	\$6,098
Military Affairs	\$522,414	\$546,644	\$24,230	\$42,899	(\$1,423)	\$0	(\$17,246)
Natural Resources	\$6,029,892	\$6,091,329	\$61,437	\$40,621	(\$7,153)	\$20,479	\$7,490
Personnel and Administration	\$1,349,970	\$1,350,650	\$680	\$40,894	(\$10,767)	(\$29,447)	\$0
Public Health	\$5,613,325	\$5,858,966	\$245,641	(\$92,018)	\$223,415	(\$12,374)	\$126,618
Public Safety	\$7,579,897	\$7,510,519	(\$69,378)	\$17,950	(\$73,366)	\$36,391	(\$50,353)
Regulatory Agencies	\$2,085,319	\$2,059,542	(\$25,777)	\$6,245	(\$88,993)	\$1,465	\$55,506
Revenue	\$4,778,411	\$4,605,386	(\$173,025)	\$75,670	(\$241,118)	(\$2,451)	(\$5,126)
State	\$514,355	\$561,438	\$47,083	\$0	\$47,083	\$0	\$0
Transportation	\$555,104	\$606,080	\$50,976	\$0	\$50,976	\$0	\$0
Treasury	\$115,812	\$109,842	(\$5,970)	(\$6,324)	\$354	\$0	\$0
TOTAL	\$98,745,845	\$100,348,366	\$1,602,520	\$1,492,753	(\$135,788)	(\$1,690,146)	\$1,935,702

*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 2020-21 Long Bill.

Note: The table above only includes the base request for FY 2021-22. 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 2021-22, the Executive Branch requests short-term disability funding at 0.16 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 0.16 percent requested by the Executive Branch as shown in the table below.

Calculation Detail - STD	
Department Revised Base Salary	\$610,050
STD @ 0.16%	\$610,000 * 0.16%
= Requested STD Appropriation	\$976

FY 2021-22 STD DEPARTMENT FUNDING REQUESTS

SUMMARY FOR STD							
Department	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$29,925	\$26,997	(\$2,928)	(\$1,106)	(\$1,822)	\$0	\$0
Corrections	\$638,143	\$586,367	(\$51,776)	(\$49,322)	(\$2,454)	\$0	\$0
Education	\$81,167	\$74,411	(\$6,756)	(\$2,301)	(\$1,620)	(\$457)	(\$2,378)
Governor's Office	\$168,945	\$159,712	(\$9,233)	\$892	\$357	(\$11,966)	\$1,484
HCPF	\$72,366	\$71,148	(\$1,218)	(\$252)	(\$185)	\$37	(\$818)
Higher Education	\$21,951	\$20,577	(\$1,374)	\$312	(\$907)	\$256	(\$1,035)
Human Services	\$470,820	\$477,842	\$7,022	\$3,508	\$16,416	(\$69,498)	\$56,596
Judicial *	\$481,750	\$556,881	\$75,131	\$98,095	(\$22,928)	(\$36)	\$0
Labor and Employment	\$133,728	\$124,586	(\$9,142)	\$30	(\$4,732)	\$370	(\$4,810)
Law	\$81,203	\$76,929	(\$4,274)	(\$5,075)	\$2,160	(\$1,688)	\$329
Legislature *	\$45,480	\$42,762	(\$2,718)	(\$2,718)	\$0	\$0	\$0
Local Affairs	\$23,444	\$21,915	(\$1,529)	(\$506)	(\$442)	(\$424)	(\$157)
Military Affairs	\$17,500	\$17,282	(\$218)	\$1,020	(\$60)	\$0	(\$1,178)
Natural Resources	\$182,944	\$174,109	(\$8,835)	(\$383)	(\$8,693)	\$277	(\$36)
Personnel and Administration	\$44,959	\$42,909	(\$2,050)	\$501	(\$441)	(\$2,110)	\$0
Public Health	\$186,751	\$178,010	(\$8,741)	(\$5,439)	\$1,360	(\$2,072)	(\$2,590)
Public Safety	\$252,439	\$235,720	(\$16,719)	(\$3,020)	(\$11,642)	(\$97)	(\$1,960)
Regulatory Agencies	\$0	\$65,291	\$65,291	\$2,301	\$56,437	\$4,109	\$2,444
Revenue	\$161,639	\$146,583	(\$15,056)	(\$1,241)	(\$13,488)	(\$88)	(\$239)
State	\$17,106	\$17,745	\$639	\$0	\$639	\$0	\$0
Transportation	\$18,523	\$18,923	\$400	\$0	\$400	\$0	\$0
Treasury	\$3,742	\$3,496	(\$246)	(\$237)	(\$9)	\$0	\$0
TOTAL	\$3,134,525	\$3,140,195	\$5,670	\$35,059	\$8,346	(\$83,387)	\$45,652

*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 2020-21 Long Bill.

Note: The Short-Term Disability table above only includes the base request for FY 2021-22. 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 2021-22 budget amendment with revised figures in January 2021. The request amounts shown for HLD should be considered a placeholder for the future budget amendment.

For the FY 2021-22 total compensation request, the estimated health contribution rates represent the total combined potential premium increase. The health premiums are projected to increase by seven and one half percent while the dental premiums are projected to increase by three percent. The life insurance rate is projected to increase by seven and six tenths percent. The following table shows the placeholder amounts that are included in the November 1 request for FY 2021-22 for Health, Life and Dental.

FY 2021-22 Health, Life, and Dental State Contributions by Tier and Plan					
Plan	Tier	Tier Description	Health	Dental	Life
Cigna HDHP	1	Employee	\$677.92	\$27.48	\$8.24
	2	Employee + Spouse	\$1,206.42	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,190.84	\$49.24	\$8.24
	4	Family	\$1,658.08	\$66.00	\$8.24
Cigna Co-Pay Basic	1	Employee	\$681.16	\$27.48	\$8.24
	2	Employee + Spouse	\$1,260.16	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,255.34	\$49.24	\$8.24
	4	Family	\$1,787.08	\$66.00	\$8.24
Cigna Co-Pay Plus	1	Employee	\$661.80	\$27.48	\$8.24
	2	Employee + Spouse	\$1,231.14	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,229.54	\$49.24	\$8.24
	4	Family	\$1,715.04	\$66.00	\$8.24
Kaiser Permanente HDHP	1	Employee	\$611.28	\$27.48	\$8.24
	2	Employee + Spouse	\$1,098.92	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,099.46	\$49.24	\$8.24
	4	Family	\$1,572.08	\$66.00	\$8.24
Kaiser Permanente Co-Pay Basic	1	Employee	\$632.78	\$27.48	\$8.24
	2	Employee + Spouse	\$1,206.42	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,190.84	\$49.24	\$8.24
	4	Family	\$1,679.58	\$66.00	\$8.24
Kaiser Permanente Co-Pay Plus	1	Employee	\$648.90	\$27.48	\$8.24
	2	Employee + Spouse	\$1,206.42	\$45.18	\$8.24
	3	Employee + Child(ren)	\$1,206.96	\$49.24	\$8.24
	4	Family	\$1,679.58	\$66.00	\$8.24

HLD CALCULATION DETAIL

The budget request is based on employee health and dental elections by tier and by plan as of July 2020. The example below shows an employee enrolled in Cigna's High Deductible Health Plan tier one for health benefits and the basic dental tier one benefits. All employees receive the state paid life insurance benefit. To determine the request amounts, this calculation is completed and annualized for every benefit-eligible employee in each department.

Calculation Detail - HLD	
Tier 1 Health (Cigna HDHP)	\$677.92
+ Tier 1 Dental (Basic)	\$27.48
+ Life	\$8.24
= Monthly State Contribution Request (one employee)	\$713.64

FY 2021-22 HLD DEPARTMENT FUNDING REQUESTS

SUMMARY FOR Health Life Dental							
De partment	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$2,961,065	\$3,369,708	\$408,643	\$297,700	\$110,944	\$0	\$0
Corrections	\$45,767,749	\$71,241,812	\$25,474,063	\$25,490,417	(\$16,354)	\$0	\$0
Education	\$5,845,927	\$7,196,642	\$1,350,715	\$976,865	\$59,265	\$181,449	\$133,136
Governor's Office	\$12,398,817	\$13,931,057	\$1,532,240	\$696,953	\$6,766	\$714,419	\$114,102
HCPF	\$5,264,801	\$6,826,728	\$1,561,927	\$1,138,266	\$25,674	\$34,625	\$363,361
Higher Education	\$2,130,777	\$2,300,463	\$169,686	\$136,953	\$61,500	\$108,837	(\$137,604)
Human Services	\$39,282,023	\$57,319,485	\$18,037,462	\$12,700,775	\$1,975,981	(\$2,603,795)	\$5,964,500
Judicial *	\$37,397,580	\$52,485,906	\$15,088,326	\$16,710,264	(\$1,624,205)	\$2,267	\$0
Labor and Employment	\$12,823,560	\$14,055,392	\$1,231,832	\$408,488	\$280,511	\$29,697	\$513,136
Law	\$4,821,004	\$6,168,739	\$1,347,735	\$597,442	\$362,297	\$373,872	\$14,124
Legislature *	\$3,707,449	\$3,233,095	(\$474,354)	(\$474,354)	\$0	\$0	\$0
Local Affairs	\$1,810,640	\$2,164,022	\$353,382	\$263,346	\$14,270	\$42,727	\$33,039
Military Affairs	\$1,263,792	\$1,597,620	\$333,828	\$317,812	\$15,884	\$0	\$133
Natural Resources	\$17,085,896	\$19,195,310	\$2,109,414	\$1,178,427	\$925,345	(\$34,659)	\$40,302
Personnel and Administration	\$3,771,398	\$4,572,634	\$801,236	\$864,503	(\$42,102)	(\$21,164)	\$0
Public Health	\$14,357,302	\$16,630,741	\$2,273,439	\$697,095	\$1,175,546	\$105,999	\$294,799
Public Safety	\$19,995,867	\$23,379,028	\$3,383,161	\$2,433,688	\$638,157	\$442,430	(\$131,116)
Regulatory Agencies	\$5,910,283	\$6,198,938	\$288,655	\$164,103	(\$58,330)	\$8,636	\$174,246
Revenue	\$14,806,800	\$17,411,104	\$2,604,304	\$2,843,588	(\$236,430)	(\$4,830)	\$1,976
State	\$1,454,213	\$1,644,120	\$189,907	\$0	\$189,907	\$0	\$0
Transportation	\$1,458,525	\$1,737,491	\$278,966	\$0	\$278,966	\$0	\$0
Treasury	\$231,319	\$309,939	\$78,620	\$89,373	(\$10,753)	\$0	\$0
TOTAL	\$254,546,788	\$332,969,976	\$78,423,188	\$67,531,705	\$4,132,839	(\$619,490)	\$7,378,134

*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 2020-21 Long Bill.

Note: The table above only includes the base request for FY 2021-22. 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 2021-22.

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 2021-22 ADMINISTRATIVE LAW JUDGE ESTIMATED COSTS

For FY 2021-22, 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 2021-22.

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

FY 2021-22 Administrative Law Judge Request		
Description	FY 2020-21	FY 2021-22
Personal Services	\$4,118,645	\$4,137,018
Total Compensations Common Policies	\$1,071,791	\$917,725
Operating and OIT Common Policies	\$1,127,294	\$1,206,921
Operating Expenses	\$172,233	\$172,233
Indirect Costs	\$270,464	\$270,464
Fund Balance Adjustment	(\$367,821)	(\$650,744)
Total	\$6,392,606	\$6,053,617

- **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 2021-22.
- **Fund Balance Adjustment:** The fund balance adjustment is the mechanism by which the Department adjusts rates up or down to address any over/under collection from previous fiscal years. For the ALJ fund balance adjustment, eight and a quarter percent of base expenditures is requested as a reserve. The table below shows the calculation of the fund balance adjustment:

FY 2021-22 Administrative Law Judge Request	
Description	Amount
Final Fund Balance - FY20	\$1,186,201
Projected FY21 Revenue	\$6,392,606
Projected FY21 Expense	\$6,550,237
Final Fund Balance - FY21 Proj.	\$1,028,570
FY22 - Personal Services	\$4,137,018
FY22 - Operating	\$172,233
FY22 - Indirect Costs	\$270,464
FY22 - Total Expenditure Base	\$4,579,715
Targeted Fund Bal - 8.25% of Exp Base	\$377,826
Addition / (Reduction) Required to Reach Target	(\$650,744)

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 2021-22 Administrative Law Judge Request table) and allocates the cost proportionally by department, according to the prior fiscal year's actual ALJ Services usage.

FY 2021-22 Administrative Law Judge Service Allocation for State Agencies				
Department	FY 2019-20 Utilization Percentage	FY 2021-22 Request	FY 2020-21 Appropriation	FY 2021-22 Incremental Need
Department of Agriculture	0.24%	14,465	\$23,355	(8,890)
Department of Corrections	0.00%	0	\$0	0
Department of Education	2.48%	149,858	\$141,413	8,445
Office of the Governor	0.00%	0	\$0	0
Department of Health Care Policy & Finance	13.65%	826,313	\$735,806	90,507
Department of Higher Education	0.00%	0	\$0	0
Department of Human Services	14.48%	876,722	\$829,807	46,915
Judicial	0.00%	0	\$0	0
Department of Labor and Employment	61.20%	3,704,682	\$4,098,659	(393,977)
Department of Law	0.00%	202	\$775	(573)
Legislature	0.00%	0	\$0	0
Department of Local Affairs	0.01%	829	\$0	829
Department of Military Affairs	0.00%	0	\$0	0
Department of Natural Resources	0.00%	0	\$0	0
Department of Personnel and Administration	0.06%	3,465	\$2,945	520
Department of Public Health & Environment	0.22%	13,083	\$52,436	(39,353)
Department of Public Safety	0.00%	0	\$310	(310)
Department of Regulatory Agencies	6.91%	418,487	\$488,137	(69,650)
Department of Revenue	0.22%	13,073	\$1,405	11,668
Department of State	0.27%	16,421	\$16,886	(465)
Department of Transportation	0.26%	16,017	\$672	15,345
Department of Treasury	0.00%	0	\$0	0
TOTAL	100.00%	6,053,617	\$6,392,606	(338,989)

FY 2021-22 ADMINISTRATIVE LAW JUDGE DEPARTMENT FUNDING REQUESTS

Summary of FY 2021-22 Request for Administrative Law Judge						
Department	FY 2021-22 Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$14,465	(\$8,890)	\$0	(\$8,890)	\$0	\$0
Corrections	\$0	\$0	\$0	\$0	\$0	\$0
Education	\$149,858	\$8,445	\$0	\$6,987	\$1,458	\$0
Governor	\$0	\$0	\$0	\$0	\$0	\$0
Health Care Policy and Financing	\$826,313	\$90,507	\$31,820	\$9,954	\$2,755	\$45,978
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$876,722	\$46,915	\$16,623	\$0	\$30,292	\$0
Judicial	\$0	\$0	\$0	\$0	\$0	\$0
Labor and Employment	\$3,704,682	(\$393,977)	(\$34,112)	(\$163,544)	(\$4,452)	(\$191,869)
Law	\$202	(\$573)	\$0	(\$573)	\$0	\$0
Legislative	\$0	\$0	\$0	\$0	\$0	\$0
Local Affairs	\$829	\$829	\$0	\$829	\$0	\$0
Military and Veteran Affairs	\$0	\$0	\$0	\$0	\$0	\$0
Natural Resources	\$0	\$0	\$0	\$0	\$0	\$0
Personnel and Administration	\$3,465	\$520	\$0	\$520	\$0	\$0
Public Health and Environment	\$13,083	(\$39,353)	(\$3,924)	\$0	(\$35,429)	\$0
Public Safety	\$0	(\$310)	(\$310)	\$0	\$0	\$0
Regulatory Agencies	\$418,487	(\$69,650)	(\$3,147)	(\$66,503)	\$0	\$0
Revenue	\$13,073	\$11,668	\$0	\$11,668	\$0	\$0
State	\$16,421	(\$465)	\$0	(\$465)	\$0	\$0
Transportation	\$16,017	\$15,345	\$0	\$15,345	\$0	\$0
Treasury	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$6,053,617	(\$338,989)	\$6,950	(\$194,672)	(\$5,376)	(\$145,891)

Note: The table above only includes the base request for FY 2021-22. 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 2020-21 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 2021-22 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 2021-22					
Description	FY 2020-21 Appropriation	FY 2021-22 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	39.0%	7.0%	54.0%
Personal Services	\$830,118	\$830,118	\$323,746	\$58,108	\$448,264
Total Compensation Common Policies	\$220,374	\$187,047	\$72,055	\$14,501	\$100,491
Operating and OIT Common Policies	\$233,271	\$272,776	\$104,810	\$22,775	\$145,191
Operating Expenses	\$62,318	\$62,318	\$24,304	\$4,362	\$33,652
Indirect Costs	\$52,100	\$221,231	\$86,280	\$15,486	\$119,465
Total Program Overhead	\$1,398,181	\$1,573,490	\$611,195	\$115,232	\$847,063

- **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, 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 2021-22.

Program and Policy Costs

The following table details the Workers’ Compensation program and policy costs for FY 2021-22, including the overhead expenses as determined above in the Calculation of Program Overhead for FY 2021-22 table.

Workers' Compensation Program and Policy Costs		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
(C) Risk Management Services		
Program Overhead Expenses	\$794,967	\$847,063
Actuarial and Broker Services	\$37,500	\$44,453
RMIS Service Fees	\$64,434	\$64,433
Total Risk Management Program Administration	\$896,901	\$955,949
(4) Workers' Compensation		
Workers' Compensation Claims	\$33,938,768	\$31,100,830
Workers' Compensation TPA Fees and Loss Control	\$1,850,000	\$1,850,000
TPA Fees	\$1,800,000	\$1,800,000
Loss Control Incentives	\$50,000	\$50,000
Total Workers' Compensation Excess Policy	\$830,000	\$855,277
Excess Policy	\$600,000	\$570,523
CDLE Permit	\$2,000	\$2,000
CDLE Surcharge	\$228,000	\$282,754
Workers' Compensation Legal Services	\$1,786,251	\$1,636,886
DHS Prior Year Claim Payouts	\$65,000	\$65,000
Adjustment to Targeted Fund Balance	(\$9,615,399)	(\$6,540,135)
Total Workers' Compensation Allocations	\$29,751,521	\$29,923,807

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 2021-22 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 2021-22, the Department requests a reserve balance of five percent of the total projected expenditures from the Workers’ Compensation Fund, plus ten percent of the prospective claims payouts.

Workers’ Compensation Fund Balance Adjustment	
FY 2019-20 End-of-Year Fund Balance	22,877,827
FY 2020-21 Expenditure Estimate	(39,366,920)
FY 2020-21 Agency Billings	29,751,521
FY 2020-21 Estimated Transfer to Liability Fund	(\$1,782,513)
FY 2021-22 Estimated End-of-Year Fund Balance	11,479,915
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2021-22	4,939,780
Increase / (Decrease) to Common Policy Request	(\$6,540,135)

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 2021-22.

FY 2021-22 Workers' Compensation Allocations for State Agencies			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	0.570%	\$170,566
Corrections	CO	20.160%	\$6,032,639
Education	ED	0.900%	\$269,314
Governor's Office	EX	0.730%	\$218,444
Health Care Policy & Finance	HC	0.560%	\$167,573
Higher Education	HE	8.510%	\$2,546,516
Human Services	HS	28.180%	\$8,367,529
Prior Year Claims			\$65,000
<i>Human Services subtotal</i>			\$8,432,529
Judicial	JD	4.760%	\$1,424,373
Labor & Employment	LA	1.620%	\$484,766
Law	LW	0.650%	\$194,505
Legislature	LE	0.150%	\$44,886
Local Affairs	LO	0.380%	\$113,710
Military Affairs	MA	0.330%	\$98,749
Natural Resources	NR	4.220%	\$1,262,785
Personnel	GS	0.880%	\$263,330
Public Health	PH	1.310%	\$392,002
Public Safety	PS	7.130%	\$2,133,567
Regulatory Agencies	RG	0.650%	\$194,505
Revenue	RV	1.900%	\$568,552
Secretary of State	ST	0.180%	\$53,863
Transportation	HI	16.220%	\$4,853,641
Treasury	TR	0.010%	\$2,992
Allocation Totals		100.00%	\$29,923,807

FY 2021-22 Workers' Compensation Allocations for Higher Education			
Agency	Code	% Allocation	\$ Base Allocation
Arapahoe Community College	AR	3.630%	\$92,439
Auraria Higher Education Center	AU	9.560%	\$243,447
College Invest	OB	0.590%	\$15,024
Colorado Commission on Higher Education	HE	0.810%	\$20,627
Colorado State University - Pueblo	SC	6.650%	\$169,343
Community College of Aurora	CA	2.870%	\$73,085
Community College System	CC	3.180%	\$80,979
CSU - Global	CG	1.880%	\$47,875
Denver Community College	CD	5.670%	\$144,387
Front Range Community College	FR	12.120%	\$308,638
History Colorado	HS	1.430%	\$36,415
Lamar Community College	LA	0.810%	\$20,627
Metropolitan State University of Denver	ME	11.810%	\$300,744
Morgan Community College	MO	1.120%	\$28,521
Northeastern Junior College	NE	2.050%	\$52,204
Northwestern Community College	NW	2.460%	\$62,644
Otero Junior College	OT	3.270%	\$83,271
Pikes Peak Community College	PP	10.800%	\$275,023
Private Occupational	PS	0.050%	\$1,273
Pueblo Community College	PV	6.350%	\$161,704
Red Rocks Community College	RR	9.390%	\$239,118
Trinidad State Junior College	TR	3.500%	\$89,128
Allocation Totals		100.00%	\$2,546,516

FY 2021-22 WORKERS' COMPENSATION DEPARTMENT FUNDING REQUESTS

SUMMARY FOR WORKERS COMPENSATION							
Department	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$171,666	\$170,566	(\$1,100)	(\$218)	(\$882)	\$0	\$0
Corrections	\$5,546,279	\$6,032,639	\$486,360	\$470,991	\$15,369	\$0	\$0
Education	\$328,159	\$269,314	(\$58,845)	(\$26,284)	(\$7,679)	(\$3,977)	(\$20,905)
Governor's Office	\$273,714	\$218,444	(\$55,270)	(\$4,895)	\$0	(\$50,375)	\$0
Health Care Policy & Finance	\$128,527	\$167,573	\$39,046	\$13,728	\$4,294	\$1,188	\$19,836
Higher Education**	\$2,562,201	\$2,546,516	(\$15,685)	\$0	(\$9,944)	(\$5,741)	\$0
Human Services	\$8,237,006	\$8,432,529	\$195,523	\$109,957	\$0	\$85,566	\$0
Judicial*	\$1,404,569	\$1,424,373	\$19,804	\$19,804	\$0	\$0	\$0
Labor & Employment	\$512,916	\$484,766	(\$28,150)	(\$2,438)	(\$11,685)	(\$318)	(\$13,709)
Law	\$206,773	\$194,505	(\$12,268)	(\$3,481)	(\$1,743)	(\$6,693)	(\$351)
Legislature*	\$35,107	\$44,886	\$9,779	\$9,779	\$0	\$0	\$0
Local Affairs	\$116,923	\$113,710	(\$3,213)	(\$1,136)	(\$679)	(\$1,398)	\$0
Military Affairs	\$98,478	\$98,749	\$271	\$130	\$0	\$0	\$141
Natural Resources	\$1,367,677	\$1,262,785	(\$104,892)	(\$8,262)	(\$95,499)	(\$784)	(\$347)
Personnel	\$274,904	\$263,330	(\$11,574)	(\$3,398)	(\$468)	(\$7,708)	\$0
Public Health	\$427,529	\$392,002	(\$35,527)	(\$2,928)	\$0	(\$32,599)	\$0
Public Safety	\$2,228,985	\$2,133,567	(\$95,418)	\$0	(\$78,648)	(\$16,770)	\$0
Regulatory Agencies	\$202,905	\$194,505	(\$8,400)	(\$275)	(\$7,722)	(\$279)	(\$124)
Revenue	\$692,913	\$568,552	(\$124,361)	(\$47,429)	(\$76,932)	\$0	\$0
Secretary of State	\$41,652	\$53,863	\$12,211	\$0	\$0	\$12,211	\$0
Transportation	\$4,889,960	\$4,853,641	(\$36,319)	\$0	(\$36,319)	\$0	\$0
Treasury	\$2,678	\$2,992	\$314	\$314	\$0	\$0	\$0
TOTAL	\$29,751,521	\$29,923,807	\$172,286	\$523,959	(\$308,537)	(\$27,677)	(\$15,459)

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 2020-21 Long Bill. The table above only includes the base request for FY 2021-22. 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 2020-21 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 \$1,000,000. 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 2021-22 ESTIMATED COSTS – LIABILITY

Calculation Methodology

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

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

Overhead Costs

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

Calculation of Program Overhead for FY 2021-22					
Description	FY 2020-21 Appropriation	FY 2021-22 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	39.0%	7.0%	54.0%
Personal Services	\$830,118	\$830,118	\$323,746	\$58,108	\$448,264
Total Compensation Common Policies	\$220,374	\$187,047	\$72,055	\$14,501	\$100,491
Operating and OIT Common Policies	\$233,271	\$272,776	\$104,810	\$22,775	\$145,191
Operating Expenses	\$62,318	\$62,318	\$24,304	\$4,362	\$33,652
Indirect Costs	\$52,100	\$221,231	\$86,280	\$15,486	\$119,465
Total Program Overhead	\$1,398,181	\$1,573,490	\$611,195	\$115,232	\$847,063

Program and Policy Costs

The following table details Liability Program and Policy Costs for the FY 2021-22, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2021-22 table.

Liability Program and Policy Costs		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
(C) Risk Management Services		
Program Overhead Expenses	\$503,177	\$611,195
Total Actuarial and Broker Services	\$42,073	\$48,567
Risk Management Information System	\$64,434	\$64,434
Total Risk Management Program Administration	\$609,684	\$724,196
2) Liability		
<i>Liability Claims</i>	\$4,072,571	\$5,595,767
<i>Liability Excess Policy</i>	\$899,250	\$1,084,373
<i>Liability Legal Services</i>	\$3,455,035	\$4,060,172
Total Liability	\$8,426,856	\$10,740,312
C-SEAP Funding	\$1,677,607	\$1,667,254
Adjustment to Targeted Fund Balance	(\$2,465,410)	\$1,216,165
Total Liability Allocations	\$8,248,737	\$14,347,927

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 2021-22.
- **Liability Legal Services:** The legal expenses line is estimated by the Department’s actuary and presented in its report to the State each year. This appropriation is necessary to defend the State against liability lawsuits in which it is named as the defendant.
- **C-SEAP Funding:** Beginning in FY 2013-14, the funding for the Colorado State Employee Assistance Program was transitioned from the Workers’ Compensation allocations to the Liability allocations. A detailed calculation for C-SEAP funding is provided below.

Calculation of FY 2021-22 CSEAP Funding Request		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
Personal Services	\$915,710	\$908,638
Total Compensation Common Policies	\$289,729	\$261,400
Operating Expenses	\$58,093	\$58,093
Operating Common Policies	\$325,243	\$350,291
Indirect Costs	\$88,832	\$88,832
Total	\$1,677,607	\$1,667,254

- **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 2021-22, the Department requests a reserve balance of five percent of the total projected expenditures from the Liability Fund, plus ten percent of the prospective claims payouts.

Liability Fund Balance Adjustment	
FY 2019-20 End-of-Year Fund Balance	650,791
FY 2020-21 Expenditure Estimate	(10,682,041)
FY 2020-21 Agency Billings	8,248,737
FY 2020-21 Estimated Transfer from Workers' Comp	\$1,782,513
FY 2021-22 Estimated End-of-Year Fund Balance	0
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2021-22	\$1,216,165
Increase / (Decrease) to Common Policy Request	\$1,216,165

FY 2021-22 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.

Calculation of Program Overhead for FY 2021-22					
Description	FY 2020-21 Appropriation	FY 2021-22 Request	Liability	Property	Workers' Comp
Overhead Allocation %		100.0%	39.0%	7.0%	54.0%
Personal Services	\$830,118	\$830,118	\$323,746	\$58,108	\$448,264
Total Compensation Common Policies	\$220,374	\$187,047	\$72,055	\$14,501	\$100,491
Operating and OIT Common Policies	\$233,271	\$272,776	\$104,810	\$22,775	\$145,191
Operating Expenses	\$62,318	\$62,318	\$24,304	\$4,362	\$33,652
Indirect Costs	\$52,100	\$221,231	\$86,280	\$15,486	\$119,465
Total Program Overhead	\$1,398,181	\$1,573,490	\$611,195	\$115,232	\$847,063

Program and Policy Costs

The following table details the total FY 2021-22 costs for the Property Program, including the overhead expenses as determined above, in the Calculation of Program Overhead for FY 2021-22 table.

Property Program and Policy Costs		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
(C) Risk Management Services		
Program Overhead Expenses	\$69,909	\$115,232
Actuarial and Broker Services	\$212,427	\$254,480
RMIS Service Fees	\$64,434	\$64,433
Total Risk Management Program Administration	\$346,770	\$434,145
(3) Property		
Property Policies	<u>\$9,161,658</u>	<u>\$9,759,153</u>
Property & Boiler Policies	\$8,551,640	\$8,753,623
Terrorism Premium	\$230,000	\$141,110
Flood Zone A Premiums	\$0	\$500,000
Auto Physical Damage	\$0	\$112,235
Crime Policy	\$380,018	\$252,185
Policy Deductibles and Payouts	<u>\$5,800,000</u>	<u>\$8,464,476</u>
Adjustment to Targeted Fund Balance	<u>(\$4,721,633)</u>	<u>(\$3,433,387)</u>
Total Property Allocations	\$10,586,795	\$15,224,388

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 2021-22, the Policy Deductibles and Payouts estimated cost increased based on the FY 2018-19 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 2021-22, the Department requests a reserve balance of five percent of the total projected expenditures from the Property Fund, plus ten percent of the prospective claims payouts.

Property Fund Balance Adjustment	
FY 2019-20 End-of-Year Fund Balance	10,434,356
FY 2020-21 Expenditure Estimate	(15,783,428)
FY 2020-21 Agency Billings	10,561,795
FY 2021-22 Estimated End-of-Year Fund Balance	5,212,723
Targeted Fund Balance %'s	5%/10%
TARGET FUND BALANCE FY 2021-22	\$1,779,336
Increase / (Decrease) to Common Policy Request	(\$3,433,386)

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 2021-22. The property and liability allocations are appropriated in a single line item; therefore, the Department has also provided a table to show the incremental calculation in total, and also a series of tables with the fund splits.

FY 2021-22 Total Combined Liability Allocations for All State			
Agency	Code	% Allocation	\$ Base Allocation
Agriculture	AG	1.186%	\$170,178
Corrections	CO	9.863%	\$1,415,136
Education	ED	4.195%	\$601,906
Governor's Office	EX	12.659%	\$1,816,358
Health Care Policy & Finance	HC	1.159%	\$166,238
Higher Education	HE	11.311%	\$1,622,927
Human Services	HS	9.518%	\$1,365,682
Judicial	JD	7.754%	\$1,112,564
Labor & Employment	LA	1.128%	\$161,863
Law	LW	1.340%	\$192,197
Legislature	LE	0.590%	\$84,671
Local Affairs	LO	0.407%	\$58,362
Military Affairs	MA	0.338%	\$48,513
Natural Resources	NR	3.220%	\$461,969
Personnel	GS	1.436%	\$205,968
Public Health	PH	4.531%	\$650,098
Public Safety	PS	5.179%	\$743,078
Regulatory Agencies	RG	1.276%	\$183,058
Revenue	RV	2.301%	\$330,141
Secretary of State	ST	0.995%	\$142,767
Transportation	HI	19.534%	\$2,802,715
Treasury	TR	0.080%	\$11,538
		100.00%	\$14,347,927

FY 2021-22 Total Combined Liability Allocations for Higher Education			
Agency	Code	% Allocation	\$ Base Allocation
Arapahoe Community College	AR	2.59%	\$42,074
Auraria Higher Education Center	AU	2.54%	\$41,262
College Invest	OB	0.65%	\$10,488
Colorado Commission on Higher Education	HE	1.15%	\$18,681
Colorado State University - Pueblo	SC	15.25%	\$247,425
Community College of Aurora	CA	2.14%	\$34,671
Community College System	CC	6.66%	\$108,081
CSU - Global	CG	2.09%	\$33,973
Denver Community College	CD	6.03%	\$97,824
Front Range Community College	FR	3.75%	\$60,852
History Colorado	HS	1.22%	\$19,813
Lamar Community College	LA	0.80%	\$13,038
Metropolitan State University of Denver	ME	27.02%	\$438,457
Morgan Community College	MO	1.08%	\$17,499
Northeastern Junior College	NE	1.35%	\$21,923
Northwestern Community College	NW	1.29%	\$20,931
Otero Junior College	OT	1.30%	\$21,060
Pikes Peak Community College	PP	10.39%	\$168,703
Private Occupational	PS	0.05%	\$811
Pueblo Community College	PV	3.51%	\$57,001
Red Rocks Community College	RR	3.01%	\$48,883
Trinidad State Junior College	TR	6.13%	\$99,477
Allocation Totals		100.00%	\$1,622,927

FY 2021-22 Estimated Property Allocations for State Agencies				
Agency	Code	Building & Contents Value	% Allocation	\$ Allocation
Agriculture	AG	\$92,204,527	0.91%	\$137,814
Corrections	CO	\$1,671,142,180	16.41%	\$2,497,784
Education	ED	\$74,029,456	0.73%	\$110,649
Governor's Office	EX	\$94,140,292	0.92%	\$140,707
Health Care Policy & Finance	HC	\$4,151,981	0.04%	\$6,206
Higher Education	HE	\$3,277,940,461	32.18%	\$4,899,396
Human Services	HS	\$983,071,572	9.65%	\$1,469,355
Judicial	JD	\$188,414,486	1.85%	\$281,615
Labor & Employment	LA	\$42,581,652	0.42%	\$63,645
Law	LW	\$6,586,629	0.06%	\$9,845
Legislature	LE	\$5,740,069	0.06%	\$8,579
Local Affairs	LO	\$13,528,673	0.13%	\$20,221
Military Affairs	MA	\$152,190,020	1.49%	\$227,472
Natural Resources	NR	\$632,043,956	6.21%	\$944,689
Personnel	GS	\$707,550,481	6.95%	\$1,057,545
Public Health	PH	\$109,050,015	1.07%	\$162,992
Public Safety	PS	\$156,516,959	1.54%	\$233,939
Regulatory Agencies	RG	\$24,911,013	0.24%	\$37,233
Revenue	RV	\$54,976,107	0.54%	\$82,170
Secretary of State	ST	\$9,335,698	0.09%	\$13,954
Transportation	HI	\$1,885,573,731	18.51%	\$2,818,286
Treasury	TR	\$195,172	0.00%	\$292
Allocation Totals		\$10,185,875,129	100.00%	\$15,224,388

FY 2021-22 Estimated Property Allocations for Higher Education				
Agency	Code	Building & Contents Value	% Allocation	\$ Allocation
Arapahoe Community College	AR	\$187,040,725	5.71%	\$279,562
Auraria Higher Education Center	AU	\$718,693,980	21.93%	\$1,074,200
College Access Network/College Assist	GL	\$32,067	0.00%	\$48
College Invest	OB	\$770,064	0.02%	\$1,151
Colorado Commission on Higher Education	HE	\$570,687	0.02%	\$853
Colorado State University - Pueblo	SC	\$370,299,605	11.30%	\$553,471
Community College of Aurora	CA	\$43,466,958	1.33%	\$64,968
Denver Community College	CD	\$38,018,035	1.16%	\$56,824
Front Range Community College	FR	\$288,626,688	8.81%	\$431,398
History Colorado	HS	\$138,447,981	4.22%	\$206,932
Lamar Community College	LA	\$67,720,429	2.07%	\$101,219
Metropolitan State University of Denver	ME	\$139,442,374	4.25%	\$208,418
Morgan Community College	MO	\$55,700,760	1.70%	\$83,254
Northeastern Junior College	NE	\$144,333,390	4.40%	\$215,729
Northwestern Community College	NW	\$86,536,771	2.64%	\$129,343
Occupational Ed. Division	OE	\$183,049,328	5.58%	\$273,596
Otero Junior College	OT	\$76,621,400	2.34%	\$114,523
Pikes Peak Community College	PP	\$202,292,744	6.17%	\$302,358
Pueblo Community College	PV	\$162,140,869	4.95%	\$242,345
Red Rocks Community College	RR	\$194,939,078	5.95%	\$291,367
Trinidad State Junior College	TR	\$179,196,528	5.47%	\$267,837
Allocation Totals		\$3,277,940,461	100.00%	\$4,899,396

Combined Allocation for Payment to Risk Management and Property Funds

FY 2021-22 Allocations by Department: Payments to Risk Management and Property Fund					
Department/Agency	Liability Base Need	Property Need	Total Liability + Property Need	FY 2020-21 Long Bill	Incremental Adjustment
Agriculture	\$170,178	\$137,814	\$307,992	\$187,183	\$120,809
Corrections	\$1,415,136	\$2,497,784	\$3,912,920	\$2,926,825	\$986,095
Education	\$601,906	\$110,649	\$712,555	\$416,600	\$295,955
Governor's Office	\$1,816,358	\$140,707	\$1,957,065	\$607,511	\$1,349,554
Health Care Policy & Finance	\$166,238	\$6,206	\$172,444	\$110,332	\$62,112
Higher Education	\$1,622,927	\$4,899,396	\$6,522,323	\$4,068,266	\$2,454,057
Human Services	\$1,365,682	\$1,469,355	\$2,835,037	\$1,808,075	\$1,026,962
Judicial	\$1,112,564	\$281,615	\$1,394,179	\$845,759	\$548,420
Labor & Employment	\$161,863	\$63,645	\$225,508	\$133,076	\$92,432
Law	\$192,197	\$9,845	\$202,042	\$145,673	\$56,369
Legislature	\$84,671	\$8,579	\$93,250	\$53,627	\$39,623
Local Affairs	\$58,362	\$20,221	\$78,583	\$48,411	\$30,172
Military Affairs	\$48,513	\$227,472	\$275,985	\$154,357	\$121,628
Natural Resources	\$461,969	\$944,689	\$1,406,658	\$982,886	\$423,772
Personnel	\$205,968	\$1,057,545	\$1,263,513	\$879,487	\$384,026
Public Health	\$650,098	\$162,992	\$813,090	\$390,977	\$422,113
Public Safety	\$743,078	\$233,939	\$977,017	\$742,243	\$234,774
Regulatory Agencies	\$183,058	\$37,233	\$220,291	\$149,391	\$70,900
Revenue	\$330,141	\$82,170	\$412,311	\$273,106	\$139,205
Secretary of State	\$142,767	\$13,954	\$156,721	\$98,823	\$57,898
Transportation	\$2,802,715	\$2,818,286	\$5,621,001	\$3,901,191	\$1,719,810
Treasury	\$11,538	\$292	\$11,830	\$6,918	\$4,912
Totals	\$14,347,927	\$15,224,388	\$29,572,315	\$18,930,717	\$10,641,598

FY 2021-22 RISK MANAGEMENT DEPARTMENT FUNDING REQUESTS

SUMMARY FOR PAYMENTS TO RISK MANAGEMENT							
Department	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$187,183	\$307,992	\$120,809	\$73,246	\$47,563	\$0	\$0
Corrections	\$2,926,825	\$3,912,920	\$986,095	\$947,141	\$38,954	\$0	\$0
Education	\$416,600	\$712,555	\$295,955	\$295,955	\$0	\$0	\$0
Governor's Office	\$607,511	\$1,957,065	\$1,349,554	\$213,303	\$0	\$1,136,251	\$0
Health Care Policy & Finance	\$110,332	\$172,444	\$62,112	\$21,838	\$6,831	\$1,890	\$31,553
Higher Education**	\$4,068,266	\$6,522,323	\$2,454,057	\$0	\$2,334,125	\$119,932	\$0
Human Services	\$1,808,075	\$2,835,037	\$1,026,962	\$722,208	\$0	\$304,754	\$0
Judicial*	\$845,759	\$1,394,179	\$548,420	\$548,420	\$0	\$0	\$0
Labor & Employment	\$133,076	\$225,508	\$92,432	\$8,003	\$38,369	\$1,045	\$45,015
Law	\$145,673	\$202,042	\$56,369	\$15,995	\$8,008	\$30,752	\$1,614
Legislature*	\$53,627	\$93,250	\$39,623	\$39,623	\$0	\$0	\$0
Local Affairs	\$48,411	\$78,583	\$30,172	\$10,674	\$6,372	\$13,126	\$0
Military Affairs	\$154,357	\$275,985	\$121,628	\$121,628	\$0	\$0	\$0
Natural Resources	\$982,886	\$1,406,658	\$423,772	\$27,769	\$389,262	\$3,766	\$2,975
Personnel	\$879,487	\$1,263,513	\$384,026	\$112,731	\$15,532	\$255,763	\$0
Public Health	\$390,977	\$813,090	\$422,113	\$42,594	\$0	\$379,519	\$0
Public Safety	\$742,243	\$977,017	\$234,774	\$0	\$0	\$234,774	\$0
Regulatory Agencies	\$149,391	\$220,291	\$70,900	\$2,386	\$65,032	\$2,411	\$1,071
Revenue	\$273,106	\$412,311	\$139,205	\$53,090	\$86,115	\$0	\$0
Secretary of State	\$98,823	\$156,721	\$57,898	\$0	\$0	\$57,898	\$0
Transportation	\$3,901,191	\$5,621,001	\$1,719,810	\$0	\$1,719,810	\$0	\$0
Treasury	\$6,918	\$11,830	\$4,912	\$4,912	\$0	\$0	\$0
TOTAL	\$18,930,717	\$29,572,315	\$10,641,598	\$3,261,516	\$4,755,973	\$2,541,881	\$82,228

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 2020-21 Long Bill. The table above only includes the base request for FY 2021-22. 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 2020-21 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 2021-22 ESTIMATED COSTS

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

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

FY 2021-22 Capitol Complex Leased Space Base Adjustment		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
Personal Services	\$3,474,459	\$3,574,314
Total Compensation Common Policies	\$1,120,546	\$1,048,963
Operating Expenses	\$2,705,456	\$2,705,456
DCA Admin Allocation	\$439,020	\$408,858
Capitol Complex Repairs	\$56,520	\$56,520
Operating and OIT Common Policies	\$1,468,418	\$1,588,322
Depreciation Estimate	\$245,000	\$290,000
Energy Performance Depreciation	\$2,138,125	\$2,140,000
Utilities	\$3,358,657	\$3,370,656
Capitol Complex Security	\$504,707	\$504,707
Indirect Costs	\$1,177,859	\$1,177,859
Sprint Leased Tower Space	(\$47,618)	(\$47,618)
Total Base Costs	\$16,641,149	\$16,818,038
Fund Balance Adjustment	(\$1,487,178)	(\$463,101)
Total Allocable Cost	\$15,153,971	\$16,354,937
Allocated Square Feet	1,273,241	1,273,241
Estimated Cost Per Square Foot	\$11.90	\$12.85

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 2021-22. 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 2021-22.

- **Sprint Leased Tower Space:** The Department of Personnel & Administration leases land to Sprint for a cell tower at Camp George West. This funding offsets expenses at Camp George West.
- **Fund Balance Adjustment:** The CCLS request includes a targeted fund balance adjustment as a part of the common policy request. For this year, the Department requests an 8.25 percent fund balance target.

Estimate of Fund Balance Adjustment for FY 2021-22	
Description	Amount
FY 2019-20 End-of-Year Cash Balance	\$4,707,243
Estimated FY 2020-21 Expenditures	\$16,410,625
Estimated FY 2020-21 Revenues	\$15,153,971
Estimated FY 2020-21 End-of-Year Balance	\$3,450,589
Approved Capital Asset Set Aside Balance	\$1,600,000
Net Available Operating Fund Balance	\$1,850,589
FY 2021-22 Estimated Base Expenditures	\$16,818,038
Targeted Operating Fund Balance (8.25%)	\$1,387,488
Total Target Reserve	\$2,987,488
Addition/(Reduction) Required to Reach Target	(\$463,101)

UTILITIES METHODOLOGY

For FY 2021-22, 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:

FY 2021-22 Utilities Build for Capitol Complex Leased Space					
	Utility Type				
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Denver					
FY 2019-20 Total Usage	19,677,531	120,519	18,573	34,990,000	
FY 2019-20 Total Billing	\$1,667,624	\$96,227	\$646,987	\$259,208	
FY 2019-20 Average Billing Rate	0.08470	0.7984	34.8342	0.0074	
Estimated Rate Increase FY 2019-20 to FY 2021-22	5%	5%	15%	3%	
Projected Rate	0.0889	0.8383	40.0593	0.0076	
FY 2021-22 Estimated Need by Utility	\$1,749,333	\$101,031	\$744,033	\$265,924	\$2,860,321
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Grand Junction					
FY 2019-20 Total Usage	641,054	8,524		708,000	
FY 2019-20 Total Billing	\$58,570	\$4,429		\$5,836	
FY 2019-20 Average Billing Rate	0.0914	0.5196		0.0082	
Estimated Rate Increase FY 2019-20 to FY 2021-22	5%	5%		3%	
Projected Rate	0.0960	0.5456		0.0084	
FY 2021-22 Estimated Need by Utility	\$61,541	\$4,651		\$7,880	\$74,072
	Electric	Gas	Steam	Water & Sewer	Total Utilities Need
Camp George West					
FY 2019-20 Total Usage				8,764	
FY 2019-20 Total Billing				\$74,303	
FY 2019-20 Average Billing Rate				8.4782	
Estimated Rate Increase FY 2019-20 to FY 2021-22				3%	
Projected Rate				8.7325	
FY 2021-22 Estimated Need by Utility				\$76,532	\$76,532

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

FY 2021-22 Utilities Line Item Build		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
Allocated Utilities	\$2,943,441	\$3,010,925
Performance Contract Interest Payment	\$415,216	\$359,732
Subtotal Allocated Amount	\$3,358,657	\$3,370,657
Performance Contract Principal Payment	\$1,562,238	\$1,848,548
True-Up Steam Rebates	\$371,595	\$380,885
Total Request Utilities Line Item Request	\$5,292,490	\$5,600,089

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 2021-22.

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	46,890	0	0	0	0	46,890
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
Legislative	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	194,437	0	82,034	2,853	0	279,324
Public Health and Environment	0	0	0	4,477	0	4,477
Public Safety	93,326	0	0	0	170,141	263,467
Regulatory Agencies	0	0	0	0	0	0
Revenue	0	89,031	2,119	5,919	0	97,069
Transportation	0	0	0	13,917	13,703	27,620
Treasury	3,351	0	0	0	0	3,351
Total	754,454	89,031	89,534	35,145	305,077	1,273,241

FY 2021-22 Estimated Cost per Square Foot					
Description	Denver	Pierce	North Campus	Grand Junction	Camp George West
Cost per Square Foot	\$19.42	\$9.41	\$3.04	\$9.10	\$0.90

FY 2021-22 Total Estimated Need by Agency						
Agency	Denver	Pierce	North Campus	Grand Junction	Camp George West	Total
Corrections	\$0	\$0	\$0	\$0	\$42,209	\$42,209
Correctional Industries	\$0	\$0	\$0	\$0	\$16,877	\$16,877
Education	\$910,446	\$0	\$0	\$0	\$0	\$910,446
Governor, Lt Governor, OSPB	\$384,061	\$0	\$0	\$0	\$0	\$384,061
OIT	\$268,979	\$0	\$0	\$12,243	\$0	\$281,222
Health Care Policy and Financing	\$645,875	\$0	\$0	\$0	\$0	\$645,875
Human Services	\$1,736,411	\$0	\$0	\$0	\$0	\$1,736,411
Labor & Employment	\$0	\$0	\$16,368	\$25,923	\$0	\$42,291
Legislature	\$2,771,532	\$0	\$0	\$0	\$0	\$2,771,532
Local Affairs	\$739,910	\$0	\$0	\$34,409	\$0	\$774,319
Military and Veterans Affairs	\$0	\$0	\$0	\$0	\$50,496	\$50,496
Natural Resources	\$1,539,294	\$0	\$0	\$0	\$0	\$1,539,294
Personnel	\$3,775,316	\$0	\$249,532	\$25,950	\$0	\$4,050,798
Public Health and Environment	\$0	\$0	\$0	\$40,722	\$0	\$40,722
Public Safety	\$1,812,078	\$0	\$0	\$0	\$153,788	\$1,965,866
Regulatory Agencies	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$0	\$838,198	\$6,446	\$53,838	\$0	\$898,482
Transportation	\$0	\$0	\$0	\$126,585	\$12,386	\$138,971
Treasury	\$65,065	\$0	\$0	\$0	\$0	\$65,065
Total	\$14,648,967	\$838,198	\$272,346	\$319,670	\$275,756	\$16,354,937

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

FY 2021-22 CCLS DEPARTMENT FUNDING REQUESTS

Summary For Capital Complex Lease Space						
Department	FY 2021-22 Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corrections	\$ 59,086	\$ 3,573	\$ 2,552	\$ 1,021	\$ -	\$ -
Education	\$ 910,446	\$ 163,283	\$ 48,985	\$ 19,561	\$ 31,758	\$ 62,979
Governor	\$ 665,283	\$ 56,969	\$ 16,450	\$ -	\$ 40,519	\$ -
Health Care Policy and Financing	\$ 645,875	\$ 54,811	\$ 19,270	\$ 6,028	\$ 1,668	\$ 27,845
Higher Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Human Services	\$ 1,736,411	\$ 147,843	\$ 53,411	\$ -	\$ 94,432	\$ -
Judicial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor and Employment	\$ 42,291	\$ 4,375	\$ 379	\$ 1,816	\$ 49	\$ 2,131
Law	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative	\$ 2,771,532	\$ 235,977	\$ 235,977	\$ -	\$ -	\$ -
Local Affairs	\$ 774,319	\$ 66,839	\$ 21,187	\$ 10,663	\$ 18,890	\$ 16,099
Military and Veteran Affairs	\$ 50,496	\$ 1,719	\$ 1,719	\$ -	\$ -	\$ -
Natural Resources	\$ 1,539,294	\$ 131,060	\$ 24,628	\$ 66,570	\$ 25,567	\$ 14,295
Personnel and Administration	\$ 4,050,798	\$ 1,568,736	\$ 498,375	\$ -	\$ 1,070,361	\$ -
Public Health and Environment	\$ 40,722	\$ 4,546	\$ 317	\$ -	\$ 4,229	\$ -
Public Safety	\$ 1,965,866	\$ 159,519	\$ 59,802	\$ 42,885	\$ 56,832	\$ -
Regulatory Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue	\$ 898,482	\$ (1,418,356)	\$ (528,632)	\$ (889,724)	\$ -	\$ -
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	\$ 138,971	\$ 14,551	\$ -	\$ 9,880	\$ 52	\$ 4,619
Treasury	\$ 65,065	\$ 5,521	\$ 5,521	\$ -	\$ -	\$ -
TOTAL	\$ 16,354,937	\$ 1,200,966	\$ 459,941	\$ (731,300)	\$ 1,344,357	\$ 127,968

* 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 2020-21 Long Bill.

Note: The table above only includes the base request for FY 2021-22. 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 2021-22 CORE ESTIMATED COSTS

For FY 2021-22, the request includes a base adjustment to the CORE Operations line item for each department based on updated program expenditures anticipated for FY 2021-22. 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 2021-22 CORE Operations Base Adjustment		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
Personal Services	\$1,955,276	\$1,993,123
Total Compensation Common Policies	\$468,030	\$429,286
Operating Expenses	\$59,590	\$59,590
Operating and OIT Common Policies	\$756,109	\$793,736
Payment for CORE and Support Modules	\$6,592,280	\$6,671,656
Depreciation	\$4,831,451	\$4,799,040
Fund Balance Adjustments	(\$3,995,729)	(\$4,635,423)
Total	\$10,667,006	\$10,111,008

- **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 2021-22 request includes a subsidization of \$2,855,875 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 2020-21 year-end fund balance.

FY 2021-22 Supplier Database Fund 2810 Fund Balance	
Description	Amount
Final Fund Balance - FY 2019-20 Projected	\$4,698,512
Projected FY 2020-21 Revenue	\$1,670,293
Projected FY 2020-21 Expense	\$2,948,595
Final Fund Balance - FY 2020-21 Projected	\$3,420,210
Fund Balance Reserve - 16.5% of Fund Balance	\$564,335
Addition/(reduction) to Allocations	(\$2,855,875)

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 \$1,779,547 has been requested for FY 2021-22.

FY 2021-22 Statewide Financial IT System 6140 Fund Balance Projection	
Description	Amount
Final Fund Balance - FY 2019-20 Projected	\$2,115,565
Projected FY 2020-21 Revenue	\$13,522,881
Projected FY 2020-21 Expense	\$13,689,550
Final Fund Balance - FY 2020-21 Projected	\$1,948,896
Fund Balance Reserve - 8.25% PS/OE	\$169,349
Addition/(reduction) to Allocations	(\$1,779,547)

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.

FY 2021-22 CORE Incremental Need by Department					
Agency	FY 2020-21 Appropriation	% CORE Documents	FY 2021-22 Estimated Allocation	Incremental Need over/(under)	% Change
Agriculture	\$145,304	1.45%	\$146,329	\$1,025	0.71%
Corrections	\$400,272	4.05%	\$409,238	\$8,966	2.24%
Education	\$327,125	2.69%	\$272,095	(\$55,030)	-16.82%
Governor	\$368,553	4.21%	\$425,707	\$57,154	15.51%
Health Care Policy and Financing	\$184,939	1.26%	\$127,250	(\$57,689)	-31.19%
Higher Education	\$274,875	2.65%	\$268,128	(\$6,747)	-2.45%
Human Services	\$1,299,814	12.62%	\$1,275,709	(\$24,105)	-1.85%
Judicial	\$1,877,756	17.84%	\$1,803,627	(\$74,129)	-3.95%
Labor and Employment	\$510,598	4.48%	\$453,053	(\$57,545)	-11.27%
Law	\$60,148	0.50%	\$50,484	(\$9,664)	-16.07%
Legislature	\$48,420	0.41%	\$41,668	(\$6,752)	-13.94%
Local Affairs	\$519,401	4.87%	\$492,853	(\$26,548)	-5.11%
Military and Veteran Affairs	\$76,867	0.73%	\$73,577	(\$3,290)	-4.28%
Natural Resources	\$616,928	6.05%	\$611,556	(\$5,372)	-0.87%
Personnel	\$385,648	3.22%	\$325,637	(\$60,011)	-15.56%
Public Health and Environment	\$846,297	9.60%	\$970,856	\$124,559	14.72%
Public Safety	\$383,683	3.72%	\$376,618	(\$7,065)	-1.84%
Regulatory Agencies	\$361,907	3.38%	\$341,919	(\$19,988)	-5.52%
Revenue	\$1,343,376	11.04%	\$1,115,759	(\$227,617)	-16.94%
State	\$24,384	0.22%	\$22,085	(\$2,299)	-9.43%
Transportation	\$168,188	1.49%	\$150,374	(\$17,814)	-10.59%
Treasury	\$442,523	3.53%	\$356,486	(\$86,037)	-19.44%
Total	\$10,667,006	100.00%	\$10,111,008	(\$555,998)	-5.21%

FY 2021-22 CORE DEPARTMENT FUNDING REQUESTS

Summary for CORE Operations							
Department	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Base Adj.	GF	CF	RF	FF
Agriculture	\$145,304	\$146,329	\$1,025	\$138	\$753	\$134	\$0
Corrections	\$400,272	\$409,238	\$8,966	\$7,842	\$543	\$581	\$0
Education	\$327,125	\$272,095	(\$55,030)	(\$21,314)	(\$21,319)	(\$12,397)	\$0
Governor's Office	\$368,553	\$425,707	\$57,154	\$0	\$2,557	\$52,107	\$2,490
Health Care Policy & Finance	\$184,939	\$127,250	(\$57,689)	(\$20,282)	(\$6,344)	(\$1,756)	(\$29,307)
Higher Education	\$274,875	\$268,128	(\$6,747)	\$0	(\$2,621)	(\$4,126)	\$0
Human Services	\$1,299,814	\$1,275,709	(\$24,105)	(\$13,248)	\$0	(\$10,857)	\$0
Judicial	\$1,877,756	\$1,803,627	(\$74,129)	(\$74,129)	\$0	\$0	\$0
Labor & Employment	\$510,598	\$453,053	(\$57,545)	(\$4,982)	(\$23,888)	(\$650)	(\$28,025)
Law	\$60,148	\$50,484	(\$9,664)	(\$2,742)	(\$1,373)	(\$5,272)	(\$277)
Legislature	\$48,420	\$41,668	(\$6,752)	(\$6,752)	\$0	\$0	\$0
Local Affairs	\$519,401	\$492,853	(\$26,548)	(\$7,327)	(\$4,374)	(\$9,010)	(\$5,837)
Military Affairs	\$76,867	\$73,577	(\$3,290)	(\$3,290)	\$0	\$0	\$0
Natural Resources	\$616,928	\$611,556	(\$5,372)	(\$398)	(\$4,699)	(\$110)	(\$165)
Personnel	\$385,648	\$325,637	(\$60,011)	(\$17,616)	(\$2,427)	(\$39,968)	\$0
Public Health	\$846,297	\$970,856	\$124,559	\$11,562	\$0	\$112,997	\$0
Public Safety	\$383,683	\$376,618	(\$7,065)	\$0	\$0	(\$7,065)	\$0
Regulatory Agencies	\$361,907	\$341,919	(\$19,988)	(\$775)	(\$17,940)	(\$1,029)	(\$244)
Revenue	\$1,343,376	\$1,115,759	(\$227,617)	(\$86,809)	(\$140,808)	\$0	\$0
Secretary of State	\$24,384	\$22,085	(\$2,299)	\$0	(\$2,299)	\$0	\$0
Transportation	\$168,188	\$150,374	(\$17,814)	\$0	(\$17,814)	\$0	\$0
Treasury	\$442,523	\$356,486	(\$86,037)	(\$38,717)	(\$47,320)	\$0	\$0
TOTAL	\$10,667,006	\$10,111,008	(\$555,998)	(\$278,839)	(\$289,373)	\$73,579	(\$61,365)

Note: The table above only includes the base request for FY 2021-22. 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 2020-21 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 2021-22 no request for variable vehicle costs has been submitted.

For FY 2021-22, the Department has submitted a funding request, R-06 Annual Fleet Vehicle Request, to replace 706 fleet vehicles (389 which are designated as potential alternative fuel vehicles). This will require an increase of \$2,818,835 in appropriated funds for all state agencies' Vehicle Lease Payment appropriations, and an increase of \$2,518,094 for the Department's Vehicle Replacement Lease/Purchase line item for FY 2021-22.

Replacement Analysis for FY 2021-22				
Dept	Division	Long Bill Vehicle Lease Payment Appropriation for FY 2020-21	Total Need After Requested Replacements	Decision Item Figures for Agencies' Schedule 13
Long Bill Appropriated Agencies				
CDPS	EDO	\$493,736	\$669,851	\$176,115
CDPS	Colorado State Patrol	\$7,789,708	\$9,320,203	\$1,530,495
CDPS	CBI	\$450,812	\$377,243	(\$73,569)
CDPS	CDPS Total	\$8,734,256	\$10,367,297	\$1,633,041
CDA	Agriculture	\$292,563	\$424,451	\$131,888
CDHS	Department of Human Services	\$1,045,216	\$1,173,983	\$128,767
CDLE	Labor and Employment	\$198,733	\$198,607	(\$126)
DOC	Department of Corrections	\$3,339,905	\$3,499,984	\$160,079
DOE	Department of Education	\$26,196	\$37,040	\$10,844
DOL	Attorney General	\$61,432	\$79,760	\$18,328
DOLA	Local Affairs	\$93,280	\$116,786	\$23,506
DOMA	Military Affairs	\$63,322	\$135,633	\$72,311
DONR	Natural Resources	\$4,481,593	\$4,903,082	\$421,489
DOR	Department of Revenue	\$739,688	\$809,621	\$69,933
DORA	Regulatory Agencies	\$238,619	\$283,135	\$44,516
DOS	Secretary of State	\$8,239	\$12,443	\$4,204
DPA	Dept of Personnel	\$262,054	\$285,677	\$23,623
DPHE	Department of Health	\$370,188	\$391,887	\$21,699
GOV	Economic Development	\$19,044	\$18,056	(\$988)
GOV	CEO	\$8,237	\$2,754	(\$5,483)
GOV	OIT	\$109,663	\$133,767	\$24,104
JUD	Public Defender	\$96,009	\$142,542	\$46,533
JUD	Courts	\$135,149	\$125,716	(\$9,433)
Total Long Bill Appropriated Agencies		\$20,323,386	\$23,142,221	\$2,818,835
Non Long Bill Appropriated Agencies				
CDOT	Department of Transportation	\$2,431,579	\$2,806,875	\$296,391
DOHE	Higher Education Total	\$1,005,146	\$1,368,375	\$397,645
Total Non Appropriated Agencies		\$3,436,725	\$4,175,250	\$694,036
Statewide Total		\$23,760,111	\$27,317,471	\$3,512,871

PERA DIRECT DISTRIBUTION

Senate Bill 18-200 became law in FY 2018-19, and beginning in FY 2019-20, a new common policy was created for the PERA Direct Distribution. On July 1st 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 2018-19 and compared to the covered payroll values from the most recently published PERA Comprehensive Annual Financial Report published in June 2020. The table below illustrates the calculation for the amount that is requested to be allocated across all departments.

PERA Direct Distribution Calculation - Payroll Basis	
	2019 Covered payroll from PERA CAFR (pg 93)
State Division	\$2,995,453,000
School Division	\$5,104,431,000
Local Government Division	\$681,093,000
Judicial Division	\$53,427,000
DPS Division	\$736,264,000
Total	\$9,570,668,000
Total Excluding Local Government Division	\$8,889,575,000
Total Gross Payroll FY19 (from Central Payroll):	\$2,274,135,961
Percent of Gross Payroll to Allocate Across State Departments	25.58%
Total Direct Distribution	\$225,000,000
Total to Allocate	\$57,559,624

FY 2021-22 PERA DIRECT DISTRIBUTION DEPARTMENT FUNDING REQUESTS

FY 2021-22 PERA Direct Distribution Common Policy Allocations by Department				
Cabinet	Department	Gross Salary FY19	%	Direct Distribution Allocations for FY22
A	Personnel & Administration	\$ 25,699,610	1.13%	\$ 650,471
B	Agriculture	\$ 19,366,119	0.85%	\$ 490,167
C	Corrections	\$ 403,864,968	17.76%	\$ 10,222,043
D	Education	\$ 49,714,045	2.19%	\$ 1,258,290
E	Governor's Office	\$ 98,014,859	4.31%	\$ 2,480,811
F	Public Health	\$ 111,971,014	4.92%	\$ 2,834,048
G	Higher Education	\$ 19,348,406	0.85%	\$ 489,719
H	Transportation	\$ 214,130,194	9.42%	\$ 5,419,752
I	Human Services	\$ 327,598,333	14.41%	\$ 8,291,690
J	Judicial	\$ 356,242,099	15.66%	\$ 9,016,683
K	Labor & Employment	\$ 78,777,453	3.46%	\$ 1,993,900
L	Law	\$ 47,993,119	2.11%	\$ 1,214,732
M	Legislature	\$ 29,535,454	1.30%	\$ 747,558
N	Local Affairs	\$ 13,636,693	0.60%	\$ 345,152
O	Military & Veterans Affairs	\$ 11,144,666	0.49%	\$ 282,078
P	Natural Resources	\$ 122,430,559	5.38%	\$ 3,098,784
R	Public Safety	\$ 159,532,170	7.02%	\$ 4,037,847
S	Regulatory Agencies	\$ 41,143,392	1.81%	\$ 1,041,362
T	Revenue	\$ 89,148,545	3.92%	\$ 2,256,398
U	Health Care Policy & Finance	\$ 42,551,787	1.87%	\$ 1,077,009
V	Secretary of State	\$ 10,106,086	0.44%	\$ 255,791
W	Treasury	\$ 2,186,390	0.10%	\$ 55,339
Total		\$ 2,274,135,961	100.00%	\$ 57,559,624

SUMMARY FOR PERA DIRECT DISTRIBUTION COMMON POLICY							
Department	FY 2020-21 Appropriation	FY 2021-22 Total Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Agriculture	\$481,308	\$490,167	\$8,859	(\$9)	\$8,868	\$0	\$0
Corrections	\$9,388,586	\$10,222,043	\$833,457	\$835,315	(\$1,858)	\$0	\$0
Education	\$1,220,885	\$1,258,290	\$37,405	(\$467,715)	(\$2,622)	\$507,742	\$0
Governor's Office	\$2,427,624	\$2,480,811	\$53,187	\$56,092	\$8,649	(\$11,554)	\$0
HCPF	\$977,212	\$1,077,009	\$99,797	(\$479,091)	\$9,134	\$2,582	\$567,172
Higher Education	\$452,765	\$489,719	\$36,954	(\$135,032)	(\$47,016)	\$152,559	\$66,443
Human Services	\$7,450,138	\$8,291,690	\$841,552	(\$89,609)	\$221,058	(\$599,835)	\$1,309,939
Judicial *	\$8,470,053	\$9,016,683	\$546,630	\$871,307	(\$324,677)	\$0	\$0
Labor and Employment	\$2,035,721	\$1,993,900	(\$41,821)	\$6,990	(\$36,907)	\$6,510	(\$18,414)
Law	\$1,119,139	\$1,214,732	\$95,593	(\$28,122)	\$55,963	\$67,752	\$0
Legislature *	\$660,409	\$747,558	\$87,149	\$87,149	\$0	\$0	\$0
Local Affairs	\$323,311	\$345,152	\$21,841	(\$60,205)	(\$572)	\$9,968	\$72,649
Military Affairs	\$238,282	\$282,078	\$43,796	\$44,066	(\$270)	\$0	\$0
Natural Resources	\$2,936,082	\$3,098,784	\$162,702	(\$32,312)	\$101,486	\$14,072	\$79,456
Personnel and Administration	\$671,727	\$650,471	(\$21,256)	\$11,326	(\$6,217)	(\$26,364)	\$0
Public Health	\$2,671,912	\$2,834,048	\$162,136	\$90,809	\$54,390	\$16,937	\$0
Public Safety	\$3,859,353	\$4,037,847	\$178,494	\$75,841	\$63,192	\$39,461	\$0
Regulatory Agencies	\$1,040,006	\$1,041,362	\$1,356	(\$7,134)	(\$32,135)	\$1,647	\$38,978
Revenue	\$2,143,176	\$2,256,398	\$113,222	\$89,629	\$8,982	(\$1,011)	\$15,621
State	\$245,319	\$255,791	\$10,472	\$0	\$10,472	\$0	\$0
Transportation	\$5,197,200	\$5,419,752	\$222,552	\$0	\$222,552	\$0	\$0
Treasury	\$49,947	\$55,339	\$5,392	\$2,175	\$3,217	\$0	\$0
TOTAL	\$54,060,155	\$57,559,624	\$3,499,469	\$871,469	\$315,689	\$180,466	\$2,131,845

Note: The table above only includes the base request for FY 2021-22, and the FY 2020-21 appropriations are based on HB20-1360 before the supplemental bills removed the PERA Direct Distribution for comparison purposes. Fund Splits in this table have been estimated based on AED/SAED appropriations in the total compensation templates for FY 2021-22. The fund splits in the table have not been updated to reflect PB entries input by individual Departments at the end of the budgeting process.

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.

FY 2021-22 Document Solution Group Request		
Description	FY 2020-21 Appropriation	FY 2021-22 Request
Personal Services	\$3,316,259	\$3,173,075
DCS Admin Allocation	\$319,694	\$325,485
Operating and OIT Common Policies	\$1,001,696	\$1,065,876
Operating Expenses	\$985,776	\$910,187
Indirect Costs	\$74,090	\$148,659
Cost Related to Other Customers	(\$744,521)	(\$725,731)
North Campus Only Expenses	\$7,550	\$7,550
Fund Balance Adjustment	\$336,003	\$284,920
Total	\$5,296,547	\$5,190,021

FY 2021-22 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 2021-22.
- **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 2021-22 Request
Department of Revenue	\$3,781,381	88.45%	\$4,583,970
Secretary of State	\$493,711	11.55%	\$606,051
Total	\$4,275,092	100.00%	\$5,190,021

FY 2021-22 DOCUMENT SOLUTION GROUP FUNDING REQUESTS

FY 2021-22 Document Solution Group Funding Request						
Department	FY 2021-22 Request	FY 2021-22 Total Base Adj	GF	CF	RF	FF
Department of Revenue	\$ 4,583,970	\$ (271,862)	\$ (271,862)	\$ -	\$ -	\$ -
Secretary of State	\$ 606,051	\$ 165,336	\$ -	\$ 165,336	\$ -	\$ -
Total	\$ 5,190,021	\$ (106,526)	\$ (271,862)	\$ 165,336	\$ -	\$ -

The FY 2021-22 November 1 request includes a Decision Item R-02 Department of Revenue Printing and Mail Migration to Integrated Document Solutions, which will be rolled up into the DSG common policy allocation to the Department of Revenue, if approved. Please see the decision item for the proposed methodology, calculations, and estimated allocations.

STATEWIDE TRAINING

The FY 2021-22 November 1 request includes a Decision Item R-01 Center for Organizational Effectiveness Program Financial Restructure, which will create a new common policy for Statewide Training, if approved. Please see the decision item for the proposed methodology, calculations, and estimated allocations.