CHANGE REQUESTS
TABLE OF CONTENTS

Schedule 6
DECISION ITEM FOR FISCAL YEAR 2003-04
(See Attached Table)

Department: Personnel & Administration
Priority Number: 1 of 4
Division: ALL
Program: ALL

Dept. Approval: Jennifer Okes — Date: 11/1/2002
OSPB Approval: Henry Sobanet — Date: 11/1/02

Request Title: Reorganization Clean-up
Statutory Citation: 24-50.3-104(7)

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2001-02	Appropriation FY 2002-03	Supplemental Request FY 2002-03	Total Revised Request FY 2002-03	Base Request FY 2003-04	Decision/ Base Reduction FY 2003-04	November 1 Request FY 2003-04	Budget Amendment FY 2003-04	Total Revised Request FY 2003-04	Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	0	0	0	0	0	0	0	0	0	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: No (If yes and request includes more than 500 programing hours, attach IT Project Plan)
Decision Item Criteria: Technical
Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 should be forwarded to the OSPB analyst assigned to DPA)
Request Affects Another Department(s): No (If yes, Name of other Department(s)__________________________)

	ORIGINAL APPROPRATION					REVISED APPROPRATION					FY 2002-03 SUPPLEMENTAL				
Division/Line	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF
DPA Operating Budget [illegible]	[illegible]														
DEPARTMENT OF PERSONNEL & ADMINISTRATION															
EXECUTIVE OFFICE															
Personal Services	1,718,004			1,718,004		1,718,004			1,718,004		0	0	0	0	0
Health, Life, and Dental + Special Bill	1,141,525	444,656	14,589	682,280		1,141,525	444,656	14,589	682,280		0	0	0	0	0
Short-term Disability	34,931	12,088	818	22,025		34,931	12,088	818	22,025		0	0	0	0	0
Salary Survey & SES	1,472,777	669,520	13,382	789,875		1,472,777	669,520	13,382	789,875		0	0	0	0	0
PBP Awards + Special Bills	294,597	120,696	2,555	171,346		294,597	120,696	2,555	171,346		0	0	0	0	0
Shift Differential	78,422			78,422		78,422			78,422		0	0	0	0	0
Workers' Compensation	310,132	114,929	2,858	192,345		310,132	114,929	2,858	192,345		0	0	0	0	0
Operating Expenses	121,080			121,080		113,580			113,580		-7,500	0	0	-7,500	0
Legal Services for 3,432 hrs.	205,234	142,922	3,349	58,963		205,234	142,922	3,349	58,963		0	0	0	0	0
Purchase of Services from GGCC	1,402,969	1,284,204		118,765		1,402,969	1,284,204		118,765		0	0	0	0	0
Multiuse Network Payments	345,565			345,565		345,565			345,565		0	0	0	0	0
Payment to Risk Mgt. & Property	489,186	181,283	4,507	303,396		489,186	181,283	4,507	303,396		0	0	0	0	0
Vehicle Lease Payments	164,744	115,371		49,373		164,744	115,371		49,373		0	0	0	0	0
Leased Space	907,395	361,645	10,072	535,678		907,395	361,645	10,072	535,678		0	0	0	0	0
Capitol Complex Leased Space	1,133,861	474,118	138,028	521,715		1,133,861	474,118	138,028	521,715		0	0	0	0	0
Test Facility Lease	116,351	116,351				116,351	116,351				0	0	0	0	0
Employment Security Contract Pmt.	17,400	10,889		6,511		17,400	10,889		6,511		0	0	0	0	0
Employment Emeritus Retirement	11,039	11,039				11,039	11,039				0	0	0	0	0
Governor's Transition	10,000	10,000				10,000	10,000				0	0	0	0	0
Total Executive Office	9,975,212	4,069,711	190,158	5,715,343	0	9,967,712	4,069,711	190,158	5,707,843	0	-7,500	0	0	-7,500	0
HUMAN RESOURCES															
Human Resource Services															
Personal Services + Special Bill	2,126,779	766,139		1,360,640		2,126,779	766,139		1,360,640		0	0	0	0	0
Operating Expenses	108,462	108,462				115,962	115,962				7,500	7,500	0	0	0
Subtotal	2,235,241	874,601	0	1,360,640	0	2,242,741	882,101	0	1,360,640	0	7,500	7,500	0	0	0
C-SEAP															
Personal Services - Special Bill	263,943			263,943		263,943			263,943		0	0	0	0	0
Operating Expenses - Special Bill	37,233			37,233		37,233			37,233		0	0	0	0	0
Indirect Cost Asmnt - Special Bill	62,884			62,884		62,884			62,884		0	0	0	0	0
Subtotal	364,060	0	0	364,060	0	364,060	0	0	364,060	0	0	0	0	0	0
Training Services															
Personal Services	165,765		21,419	144,346		165,765		21,419	144,346		0	0	0	0	0
Operating Expenses	79,573			79,573		79,573			79,573		0	0	0	0	0
Indirect Cost Assessment	46,726			46,726		46,726			46,726		0	0	0	0	0
Subtotal	292,064	0	21,419	270,645	0	292,064	0	21,419	270,645	0	0	0	0	0	0
Employee Benefits Services															
Personal Services	783,976		211,294	572,682		783,976		211,294	572,682		0	0	0	0	0
Operating Expenses	51,355		23,574	27,781		51,355		23,574	27,781		0	0	0	0	0
Utilization Review	40,000			40,000		40,000			40,000		0	0	0	0	0
Deferred Compensation Plans	84,500		84,500			84,500		84,500			0	0	0	0	0
Defined Contribution Plans	6,226		6,226			6,226		6,226			0	0	0	0	0
Indirect Cost Assessment	138,080		37,658	100,422		138,080		37,658	100,422		0	0	0	0	0
Subtotal	1,104,137	0	363,252	740,885	0	1,104,137	0	363,252	740,885	0	0	0	0	0	0
Risk Management Services															
Personal Services	536,117			536,117		536,117			536,117		0	0	0	0	0
Operating Expenses	57,104			57,104		57,104			57,104		0	0	0	0	0
Audit Expense	63,120			63,120		63,120			63,120		0	0	0	0	0
Legal Services for 31,860 hrs.	1,905,228			1,905,228		1,905,228			1,905,228		0	0	0	0	0
Liability Premiums	6,089,172		900,158	5,189,014		6,089,172		900,158	5,189,014		0	0	0	0	0
Property Premiums	5,599,850		571,135	5,028,715		5,599,850		571,135	5,028,715		0	0	0	0	0
Workers' Compensation Premiums	23,001,966		2,517,113	20,484,853		23,001,966		2,517,113	20,484,853		0	0	0	0	0
Indirect Cost Assessment	100,403			100,403		100,403			100,403		0	0	0	0	0
Subtotal	37,352,960	0	3,988,406	33,364,554	0	37,352,960	0	3,988,406	33,364,554	0	0	0	0	0	0
Total Human Resources	41,348,482	874,601	4,373,077	36,100,784	0	41,355,982	882,101	4,373,077	36,100,784	0	7,500	7,500	0	0	0
PERSONNEL BOARD															
Personal Services	373,669	371,669	1,200	800		373,669	371,669	1,200	800		0	0	0	0	0
Operating Expenses	29,033	29,033				29,033	29,033				0	0	0	0	0
Total Personnel Board	402,702	400,702	1,200	800	0	402,702	400,702	1,200	800	0	0	0	0	0	0
CENTRAL SERVICES															
Administration															
Personal Services	687,647			687,647		608,271			608,271		-79,376	0	0	-79,376	0
Operating Expenses	77,427			77,427		77,427			77,427		0	0	0	0	0
Indirect Cost Assessment	369,680			369,680		369,680			369,680		0	0	0	0	0
Subtotal	1,134,754	0	0	1,134,754	0	1,055,378	0	0	1,055,378	0	-79,376	0	0	-79,376	0
Reprographics Services															
Personal Services	1,170,843			1,170,843		1,170,843			1,170,843		0	0	0	0	0
Operating Expenses	2,080,722		240,618	1,840,104		2,080,722		240,618	1,840,104		0	0	0	0	0
Subtotal	3,251,565	0	240,618	3,010,947	0	3,251,565	0	240,618	3,010,947	0	0	0	0	0	0
Mail Services															
Personal Services	1,034,482			1,034,482		1,034,482			1,034,482		0	0	0	0	0
Operating Expenses	4,500,522		351,498	4,149,024		4,500,522		351,498	4,149,024		0	0	0	0	0
Subtotal	5,535,004	0	351,498	5,183,506	0	5,535,004	0	351,498	5,183,506	0	0	0	0	0	0
Document Solutions Group															
Personal Services	780,316			780,316		2,327,473			2,327,473		1,547,157	0	0	1,547,157	0
Operating Expenses	220,610		35,878	184,732		338,866		35,878	302,988		118,256	0	0	118,256	0
Utilities	0			0		10,763			10,763		10,763	0	0	10,763	0
Indirect Cost Assessment	0			0		88,713			88,713		88,713	0	0	88,713	0
Subtotal	1,000,926	0	35,878	965,048	0	2,765,815	0	35,878	2,729,937	0	1,764,889	0	0	1,764,889	0
Fleet Mgt. Prog. and Motor Pool Svcs															
Personal Services	779,915			779,915		704,325			704,325		-75,590	0	0	-75,590	0
Operating Expenses	12,305,933			12,305,933		12,305,933			12,305,933		0	0	0	0	0
Vehicle Repl Lease, or lease/Purch	17,638,256		2,711,581	14,926,675		17,638,256		2,711,581	14,926,675		0	0	0	0	0
[illegible]	[illegible]	[illegible]	2,711,581	[illegible]	[illegible]	[illegible]	[illegible]	2,711,581	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Facilities Maintenance															
Personal Services	2,358,252	34,479		2,323,773		2,430,651	34,479		2,396,172		72,399	0	0	72,399	0
Operating Expenses	1,652,842	15,376		1,637,466		1,850,615	15,376	44,037	1,791,202		197,773	0	44,037	153,736	0
Capitol Complex Repairs	805,429			805,429		805,429			805,429		0	0	0	0	0
Capitol Complex Security	305,451			305,451		305,451			305,451		0	0	0	0	0
Utilities	2,399,202			2,399,202		2,670,481			2,670,481		271,279	0	0	271,279	0
Indirect Cost Assessment	400,190			400,190		400,190			400,190		0	0	0	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44,037	[illegible]	[illegible]
Grand Junction State Svcs Bldg.															
Personal Services	40,796			40,796		0			0		-40,796	0	0	-40,796	0
Operating Expenses	76,873		5,087	71,786		0		0	0		-76,873	0	-5,087	-71,786	0
Utilities	42,563			42,563		0			0		-42,563	0	0	-42,563	0
Subtotal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Camp George West															
Personal Services	55,818			55,818		0			0		-55,818	0	0	-55,818	0
Operating Expenses	130,900		38,950	91,950		0			0		-130,900	0	-38,950	-91,950	0
Utilities	228,716			228,716		0			0		-228,716	0	0	-228,716	0
Subtotal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Central Services	[illegible]	49,855	[illegible]	[illegible]	[illegible]	[illegible]	49,855	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Division/Line	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF	TOTAL	GENERAL FUNDS	CASH FUNDS	CASH FUNDS EXEMPT	FF
FINANCE AND PROCUREMENT															
Personal Services	2,886,712	908,271		1,978,441		3,422,619	1,444,178		1,978,441		535,907	535,907	0	0	0
Operating Expenses	162,233	162,233				205,233	205,233				43,000	43,000	0	0	0
Subtotal	3,048,945	1,070,504	0	1,978,441	0	3,627,852	1,649,411	0	1,978,441	0	578,907	578,907	0	0	0
Supplier DataBase															
Personal Services	129,887		129,887			129,887		129,887			0	0	0	0	0
Operating Expenses	100,830		100,830			100,830		100,830			0	0	0	0	0
Subtotal	230,717	0	230,717	0	0	230,717	0	230,717	0	0	0	0	0	0	0
Collections Services															
Personal Services	718,556		510,421	208,135		718,556		510,421	208,135		0	0	0	0	0
Operating Expenses	331,706			331,706		331,706			331,706		0	0	0	0	0
Collections of Debts Due to the State	20,702			20,702		20,702			20,702		0	0	0	0	0
Subtotal	1,070,964	0	510,421	560,543	0	1,070,964	0	510,421	560,543	0	0	0	0	0	0
Real Estate Svcs Program															
Coord of Capital Construction, Contrc	486,601	486,601				0	0				-486,601	-486,601	0	0	0
Total Finance and Procurement	4,837,227	1,557,105	741,138	2,538,984	0	4,929,533	1,649,411	741,138	2,538,984	0	92,306	92,306	0	0	0
INFORMATION TECHNOLOGIES															
Business Services															
Personal Services	507,476	338,346		169,130		0	0		0		-507,476	-338,346	0	-169,130	0
Operating Expenses	6,450	3,225		3,225		0	0		0		-6,450	-3,225	0	-3,225	0
Subtotal	513,926	341,571	0	172,355	0	0	0	0	0	0	-513,926	-341,571	0	-172,355	0
Administration															
Personal Services						359,114			359,114		359,114	0	0	359,114	0
Operating Expenses						6,450	0		6,450		6,450	0	0	6,450	0
Subtotal	0	0	0	0	0	365,564	0	0	365,564	0	365,564	0	0	365,564	0
Customer Services															
Personal Services						831,091			831,091		831,091	0	0	831,091	0
Operating Expenses						14,625			14,625		14,625	0	0	14,625	0
Subtotal	0	0	0	0	0	845,716	0	0	845,716	0	845,716	0	0	845,716	0
Order Billing															
Personal Services						595,651			595,651		595,651	0	0	595,651	0
Operating Expenses						10,750			10,750		10,750	0	0	10,750	0
Subtotal	0	0	0	0	0	606,401	0	0	606,401	0	606,401	0	0	606,401	0
Communications Services															
Personal Services	2,959,410	2,893,259		66,151		2,862,347	2,796,196		66,151		-97,063	-97,063	0	0	0
Operating Expenses	160,658	160,658				160,658	160,658				0	0	0	0	0
Training Services	18,500	18,500				18,500	18,500				0	0	0	0	0
Utilities	98,957	98,957				98,957	98,957				0	0	0	0	0
Local System Development	29,260			7,422	21,838	29,260			7,422	21,838	0	0	0	0	0
Subtotal	3,296,785	3,171,374	0	73,573	21,838	3,169,722	3,074,311	0	73,573	21,838	-97,063	-97,063	0	0	0
Network Services															
Personal Services	1,222,581			1,222,581		1,315,715			1,315,715		93,134	0	0	93,134	0
Operating Expenses	16,309,278		585,589	15,723,689		16,298,528		585,589	15,712,939		-10,750	0	0	-10,750	0
Toll-free Telephone Access	25,000			25,000		25,000			25,000		0	0	0	0	0
Indirect Cost Assessment	1,584,707			1,584,707		1,584,707			1,584,707		0	0	0	0	0
Subtotal	19,141,566	0	585,589	18,555,977	0	19,223,950	0	585,589	18,638,361	0	82,384	0	0	82,384	0
Computer Services															
Personal Services	3,147,994			3,147,994		2,303,084			2,303,084		-844,910	0	0	-844,910	0
Operating Expenses	6,107,721		187,708	5,920,013		6,181,350		187,708	5,993,642		73,629	0	0	73,629	0
Rental, lease, or lease/Purch.of CPU	380,000			380,000		380,000			380,000		0	0	0	0	0
Indirect Cost Assessment	131,932			131,932		131,932			131,932		0	0	0	0	0
Subtotal	9,767,647	0	187,708	9,579,939	0	8,996,366	0	187,708	8,808,658	0	-771,281	0	0	-771,281	0
Document Solutions Group															
Personal Services	1,642,376			1,642,376		0			0		-1,642,376	0	0	-1,642,376	0
Operating Expenses	197,287			197,287		0			0		-197,287	0	0	-197,287	0
Utilities	10,763			10,763		0			0		-10,763	0	0	-10,763	0
Indirect Cost Assessment	88,713			88,713		0			0		-88,713	0	0	-88,713	0
Subtotal	1,939,139	0	0	1,939,139	0	0	0	0	0	0	-1,939,139	0	0	-1,939,139	0
Information and Archival Services															
Personal Services	881,987	492,381	86,169	303,437		601,046	492,381	86,169	22,496		-280,941	0	0	-280,941	0
Operating Expenses	58,293	49,070		9,223		49,070	49,070		0		-9,223	0	0	-9,223	0
Subtotal	940,280	541,451	86,169	312,660	0	650,116	541,451	86,169	22,496	0	-290,164	0	0	-290,164	0
Technology Management Unit															
Personal Services	3,216,354	3,216,354				3,259,848	3,259,848				43,494	43,494	0	0	0
Operating Expenses	534,983	534,983				534,983	534,983				0	0	0	0	0
Subtotal	3,751,337	3,751,337	0	0	0	3,794,831	3,794,831	0	0	0	43,494	43,494	0	0	0
Total Information Technologies	38,320,680	7,805,735	859,466	29,633,643	21,838	37,652,668	7,410,593	859,466	29,360,789	21,838	-668,014	-395,140	0	-272,874	0
ADMINISTRATIVE HEARINGS															
Personal Services	2,783,420			2,783,420		2,783,420			2,783,420		0	0	0	0	0
Operating Expenses	137,042			137,042		137,042			137,042		0	0	0	0	0
Indirect Cost Assessment	151,411			151,411		151,411			151,411		0	0	0	0	0
Total Administrative Hearings	3,071,873	0	0	3,071,873	0	3,071,873	0	0	3,071,873	0	0	0	0	0	0
TOTAL DPA - Operating Budget	149,099,541	14,757,787	9,548,651	124,771,315	21,838	149,099,541	14,462,373	9,548,651	125,066,679	21,838	0	-295,334	0	295,334	0
DPA Capital Construction Budget															
Certificates of Participation															
1992 Issue (DD/DYS/Prison/AHEC)	517,039	517,039				517,039	517,039				0	0	0	0	0
Lease Purchase of 700 Kipling	864,900			864,900		864,900			864,900		0	0	0	0	0
Lease Purchase of 1881 Pierce	1,772,996	974,793	334,387	463,816		1,772,996	974,793	334,387	463,816		0	0	0	0	0
Subtotal	3,154,935	1,491,832	334,387	1,328,716	0	3,154,935	1,491,832	334,387	1,328,716	0	0	0	0	0	0
Controlled Maintenance															
Emergency Fund + Special Bill	1,810,821	1,810,821				1,810,821	1,810,821				0	0	0	0	0
Subtotal	1,810,821	1,810,821	0	0	0	1,810,821	1,810,821	0	0	0	0	0	0	0	0
Capital Construction															
Life/Safety 1375 Sherman	982,084	982,084				982,084	982,084				0	0	0	0	0
Statewide Multi-Use Network	3,950,000	3,950,000				3,950,000	3,950,000				0	0	0	0	0
Subtotal	4,932,084	4,932,084	0	0	0	4,932,084	4,932,084	0	0	0	0	0	0	0	0
TOTAL DPA - Capital Construction	9,897,840	8,234,737	334,387	1,328,716	0	9,897,840	8,234,737	334,387	1,328,716	0	0	0	0	0	0

Efficiency and Effectiveness Analysis
Colorado Department of Personnel & Administration
FY04 Decision Item

Department: Department of Personnel & Administration (DPA)

Priority Number: 1 of 4

Request Title: Reorganization Clean-Up

Summary of Request

This request is to complete the alignment of the Department's budgetary appropriations with the current organizational structure. During the 2002 legislative session, the Department worked with the Joint Budget Committee staff to make several budgetary adjustments to the FY 2002-03 Long Bill to reflect some of the major organizational changes made by the Department. This decision item (and related supplemental request) is designed to make the remaining budgetary adjustments.

Problem or Opportunity Definition

Troy Eid, DPA Executive Director, has focused the Department's mission on three "Cs": Customers, Credibility, and Communications. Part of this entails aligning the organization's structure, business processes, and responsibilities so that it can more effectively fulfill its mission by improving DPA's ability to serve both internal and external customers. The following provides a description of the major changes that affect each division.

Executive Office: One of the main areas of focus has been how the Department could more effectively manage its own internal operations. Previously, the Department relied on externally focused divisions to provide internal business services and operational support to our own Department. The result has been that the internal needs of the Department usually become tangled up in, or even put behind, the needs of external customers. The problem with this is that if the Department doesn't effectively address internal demands, it often is unable to meet the expectations of its external customers.

In order to address this deficiency, the Department identified four core internal departmental functions for which the Executive Office must be responsible and be able to directly allocate resources: budget and finance, technology management, human resources, and communications. Thus, the Department established four work units in the Executive Office to handle these functions:

- *Budget and Financial Services*: This Unit is lead by the Department's first Chief Financial Officer and includes departmental budgeting, accounting, and contracting processes.

- *Technology Management:* This Unit is lead by the Department's first Chief Information Officer and is responsible for desktop support, server/LAN support, telecommunications, and certain systems we use to provide services to external customers, such as COFRS, EMPL, and ADS.
- *Human Resources:* This Unit is lead by the Department's first Human Resource Manager and handles all position evaluations, announcements, selections, and other personnel-related issues.
- *Communications:* This Unit is lead by the Director of Communications and Legislative Affairs and acts as the Department's public information office, coordinates legislative activities, and publishes Stateline and other departmental publications.

State Personnel Board: No changes affected the Board.

Division of Central Services: There were three major changes affecting Central Services.

- The longstanding delegation of Central Collections to the Division of Central Services was rescinded. This function is statutorily committed to the State Controller and was moved back to the Division of Finance and Procurement.
- State Buildings and Real Estate Programs was moved back to the Division of Finance and Procurement. This Unit has control/oversight functions for real estate similar to those the State Controller has for finances; this would more closely align similar oversight functions with common direction.
- The Pueblo Data Entry Center (PDEC) was moved to Central Services from the Division of Information Technologies. PDEC offers a variety of information processing, as well as scanning, indexing and data storage options, and the move will align PDEC with like functions in DCS.

Division of Finance and Procurement: This Division assumed responsibility for Central Collections and State Buildings and Real Estate Programs, as indicated above.

Division of Information Technologies: In conjunction with the creation of the internal Technology Management Unit and the move of the Pueblo Data Entry Center to the Division of Central Services, this Division has a narrower and more focused mission. Although the division has been renamed previously, the Division's name was changed to be more descriptive and shorter.

Division of Human Resources: As discussed above, the Human Resources Unit was transferred to the Executive Office to provide better department-wide oversight. In addition, the payroll function was transferred to the Budget and Financial Services Unit for integration with our other fiscal functions.

Division of Administrative Hearings: No changes affected this Division.

Available Alternatives

Alternative A: Make no additional budgetary adjustments to the Department's appropriations.

This alternative is not recommended. The Long Bill appropriation should accurately reflect the Department's organizational structure. The proper alignment of appropriations and divisions and programs provides the Legislature, our customers, and Colorado citizens with a better understanding of the Department. When the budget and organizational structure are not aligned, this causes confusion and may lead to misunderstandings and improper decisions. In addition, when the appropriations and organizational structure are not properly aligned, the internal administration of the budget is more difficult for staff within the Department.

Alternative B: Make the required budgetary adjustments to the Department's appropriations.

The recommended alternative is to align the appropriations for the Department with the current organizational structure. As stated above, the proper alignment of appropriations and divisions and programs provides the Legislature and Colorado citizens with a better understanding of the Department. In addition, the proper alignment will make administration of the budget easier for staff within the Department.

Statutory and Other Authority

Section 24-50.3-104 (7), C.R.S. The executive director may establish such divisions, sections, and other units within the department of personnel as are necessary for the proper and efficient discharge of the powers, duties, and functions of the department. The executive director may allocate, as necessary, such powers, duties, and functions to the divisions, sections, or other units established by the executive director.

Linkage of Budgetary Expenditures to the Full Range of Outcomes

The departmental reorganization was undertaken in an effort to align the organization's structure, business processes, and responsibilities so that the Department can more effectively fulfill its mission by improving DPA's ability to serve both internal and external customers. Therefore through the reorganization, the Department will achieve improved quality of services. This decision item will simply align the budget with the organizational structure. This will ensure the Legislature, our customers, and Colorado citizens have a better understanding of the Department. In addition, this will make administration of the budget easier for staff internally.

Selected Analytical Technique

Not applicable. This is a technical request.

Assessment of Alternatives

Not applicable. This is a technical request.

Assumptions and Calculations

The following items need to be adjusted in the Long Bill:

1. Name Changes: The following changes should be made to agency names so that the FY 2002-03 and FY 2003-04 Long Bill reflect the organizational structure and operational names of the Department, divisions, and units:
   a) The Department of Personnel should be changed to the Department of Personnel & Administration.
   b) The Executive Director's Office should be changed to the Executive Office.
   c) Human Resource Services should be changed to the Division of Human Resources.
   d) Imaging and Microfilm Services, under Division of Central Services - Integrated Document Factory, should be changed to Document Solutions Group. (See additional related changes under Division of Central Services.)
   e) Colorado Information Technology Services should be changed to the Division of Information Technologies.
   f) Pueblo Data Entry Center should be changed to Document Solutions Group. (See additional related changes under Division of Central Services.)
   g) The State Controller's Office and Procurement Services line should be changed to State Controller's Office, State Purchasing Office, and State Buildings and Real Estate Programs.
   h) Application Services, within the Division of Information Technologies, should be changed to Technology Management Unit.

2. Division of Human Resources: During the initial reorganization adjustment, the Department identified that $17,589 in operating expenses should be moved to the Executive Office. This amount was a proportional amount per FTE and was designed to correspond with the movement of FTE to the Executive Office. After further review, this amount does not accurately reflect spending needs for the Division of Human Resources or for the new FTE within the Executive Office. The FTE moved to the Executive Office do not use a proportional share of operating expenses within the Division of Human Resources. The Division's largest operating expenses include postage, purchase of third party surveys, and statewide memberships that are necessary in operating the state personnel system. Thus, the transferred FTE require a much smaller amount of operating than the amount that was transferred. As a result, starting in FY2002-03, $7,500 should be transferred from the Executive Office – Operating Expenses to Human Resources – Operating Expenses. This will result in an increase of $7,500 in General Funds.

3. Division of Central Services: The following changes should be made to units within the Division of Central Services:
   a) The Pueblo Data Entry Center should be moved from the Division of Information Technologies to the Division of Central Services in FY 2003-04. A new Long Bill group should be created within Central Services called Document Solutions Group. This group should include the Imaging and Microfilm Services (currently under the Integrated Document Factory group) and the Pueblo Data Entry Center. These two units should be combined into a single group: Document Solutions Group.
   b) Therefore, the Division of Central Services should include five Long Bill groups starting in FY 2003-04: Administration, Integrated Document Factory, Document Solutions Group, Fleet Management Program and Motor Pool Services, and Facilities Maintenance. The Integrated Document Factory should include Reprographics Services and Mail Services.
   c) The Grand Junction State Services Building and Camp George West groups should be combined with the Capitol Complex Facilities group within Facilities Maintenance. The combined group should be called Facilities Maintenance. Therefore, \$55,818 and 1.0 FTE of Personal Services, \$130,900 of Operating Expenses, and \$228,716 of Utilities from Camp George West should be added to the line items under Capitol Complex Facilities. In addition, \$40,796 and 1.0 FTE of Personal Services, \$76,873 of Operating Expenses, and \$42,563 of Utilities from Grand Junction State Services Building should be added to the line items under Capitol Complex Facilities.
   d) Two individuals should be transferred from the Division of Information Technologies to the Division of Central Services to consolidate telephone operators within the Department. Therefore, there should be a transfer of \$32,417 and 1.0 FTE should be made from Network Services within Information Technologies to Capitol Complex Facilities within the Central Services. In addition, there should be a transfer of \$25,674 and 1.0 FTE (General Fund) should be made from Communication Services to Capitol Complex Facilities. This will result in a decrease in General Fund of \$25,674.
   e) The letternote for FY2002-03 DCS Administration says: "This amount shall be from all sections of Central Services and from user fees from other state agencies." This letternote should be modified for FY2002-03 to state: "This amount shall be from user fees from other state agencies for the travel management program, from all sections of Central Services, and from Central Collections from the Division of Finance and Procurement. The funds represent duplicated appropriations within other state agencies, but do not represent duplicated appropriations within the Divisions of Central Services or Central Collections. In FY 2003-04, the letternote should be the same, except for the inclusion of the Central Collections.

4. Division of Finance and Procurement: The following changes should be made to units within the Division of Finance and Procurement:
   a) During the initial reorganization adjustment, the Department identified that 1.0 FTE and $82,306 in Personal Services should be moved from Capitol Complex Facilities, within the Division of Central Services to the Division of Finance and Procurement, State Building and Real Estate Services. Although members of the Joint Budget Committee indicated this appeared to be an appropriate transfer, the Committee did not approve this transfer due to the General Fund shortfall. Thus, the Department is resubmitting this requested transfer for FY 2003-04. In addition, there should be a transfer of $10,000 of operating expenses from Capitol Complex Facilities to the State Buildings and Real Estate Services program line. This will result in an increase in General Funds of $92,306.
   b) The State Buildings and Real Estate Services group should be combined with the Division of Finance and Procurement group. Therefore, $535,907 and 7.0 FTE of personal services and $43,000 of operating expenses should be added to the Division of Finance and Procurement line items. The line name should be changed as indicated above.

5. Division of Information Technologies: Three new units should be created within the Division of Information Technologies: Administration, Customer Services, and Order/Billing. One unit should be deleted: Business Services. In addition, the following changes should be made to units within the Division starting in FY 2003-04:
   a) A transfer of $60,205 in General Funds and $120,075 Cash Funds Exempt should be made from Business Services to Administration. The corresponding $180,279 in Administration should be Cash Funds Exempt. This will result in a decrease in General Funds of $60,205.
   b) A transfer of $178,834 should be made from Computing Services to Administration (both are Cash Funds Exempt).
   c) A transfer of $59,897 should be made from Business Services to Technology Management Unit (both are General Funds).
   d) A transfer of $71,791 should be made from Computing Services (Cash Funds Exempt) to Technology Management Unit (General Funds). This will result in an increase in General Funds of $71,791.
   e) A transfer of $95,993 should be made from Technology Management Unit (General Fund) to Customer Services (Cash Funds Exempt). This will result in a decrease in General Funds of $95,993.
   f) A transfer of $653,661 should be made from Computing Services to Customer Services (both are Cash Funds Exempt).
   g) A transfer of $81,437 should be made from Network Services to Customer Services (both are Cash Funds Exempt).
   h) A transfer of $198,970 should be made from Computing Services to Network Services (both are Cash Funds Exempt).

i) A transfer of $98,936 should be made from Technology Management Unit (General Fund) to Network Services (Cash Funds Exempt). This will result in a decrease in General Funds of $98,936.
j) A transfer of $280,941 should be made from Information and Archival Services to Computing Services (both are Cash Funds Exempt).
k) A transfer of $48,231 should be made from Technology Management Unit (General Fund) to Order Billing (Cash Funds Exempt). This will result in a decrease in General Funds of $48,231.
l) A transfer of $97,491 should be made from Business Services (General Fund) to Order Billing (Cash Funds Exempt). This will result in a decrease in General Funds of $97,491.
m) A transfer of $125,747 should be made from Communication Services (General Fund) to Order Billing (Cash Funds Exempt). This will result in a decrease in General Funds of $125,747.
n) A transfer of $54,358 should be made from Business Services to Communication Services (both are General Fund).
o) A transfer of $117,814 should be made from Computing Services to Order Billing (both are Cash Funds Exempt).
p) A transfer of $206,368 should be made from Network Services to Order Billing (both are Cash Funds Exempt).
q) A transfer of $67,108 (Cash Funds Exempt) and $61,650 (General Fund) should be made from Business Services to Network Services (Cash Funds Exempt). This will result in a decrease in General Funds of $61,650.
r) A transfer of $6,450 should be made from Business Services ($3,225 General Fund and $3,225 Cash Funds Exempt) to Administration (Cash Funds Exempt) for Operating Expenses. This will result in a decrease in General Fund of $3,225.
s) A transfer of $9,223 should be made from Information/Archives to Customer Services for Operating Expenses (both are Cash Funds Exempt).
t) A transfer of $5,402 should be made from Computing Services Operating Expenses to Customer Services for Operating Expenses.
u) A transfer of $10,750 should be made from Network Services to Order Billing for Operating Expenses (both are Cash Funds Exempt).
v) A transfer of $79,376 should be made from the Division of Central Services – Administration – Personal Services and $75,590 should be transferred from Fleet Management – Personal Services to the Division of Information Technologies – Technology Management Unit – Personal Services. This will result in an increase in General Funds of $154,966.
w) During the initial reorganization adjustment, the Department identified that $197,287 in Operating Expenses should be moved to Pueblo Data Entry Center from Computing Services starting in FY 2002-03. This amount incorrectly included depreciation. The correct amount for PDEC Operating Expenses is $118,256. Therefore, $79,031 should be transferred from PDEC Operating Expense to Computing Services Operating Expenses in the Division of Information Technologies. The remaining $118,256 should be transfer to the Division of Central Services – Document Solutions Group.

x) Also during the initial reorganization adjustment, the Department identified that $1,642,376 in Personal Services should be moved to Pueblo Data Entry Center from Computing Services starting in FY 2002-03. This amount should be $1,547,157. Therefore, $95,219 should be transferred from PDEC Personal Services to Computing Services Personal Services in the Division of Information Technologies. The remaining $1,547,157 should be transferred to the Division of Central Services – Document Solutions Group.

y) The Utilities line item ($10,763) and the Indirect Cost line item ($88,713) within the Pueblo Data Entry Center should be moved to the Division of Central Services – Document Solutions Group.

6) If these changes are made, in part or in whole, a corresponding adjustment may be required for departmental appropriations for Capitol Complex Leased Space, Purchase of Services from the Computer Center/Document Solutions Group. This analysis will be performed after spending authority decisions are made.

Recommendation

For the reasons stated above, the recommended alternative is Alternative B, to make the required budgetary adjustments to the Department's appropriations.

Schedule 6

DECISION ITEM FOR FISCAL YEAR 2004

Department: Personnel & Administration
Priority Number: 2 of 4
Division: Central Services
Program: Document Solutions Group
Request Title:DSG Contingency Spending Authority (New Line Item)

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobanet Date: 11/1/02
Statutory Citation: Sections 24-82-101; 24-82-102; 24-82-103; 24-30-1303; 18-9-117, CRS (combined with 24-82-101).

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2001-02	Appropriation FY 2002-03	Supplemental Request FY 2002-03	Total Revised Request FY 2002-03	Base Request FY 2003-04	Decision/ Base Reduction FY 2003-04	November 1 Request FY 2003-04	Budget Amendment FY 2003-04	Total Revised Request FY 2003-04	Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	0	0	0	0	0	250,000	250,000	0	0	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	125,000	125,000	0	0	0
	CFE	0	0	0	0	0	125,000	125,000	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Contingency Spending Authority	Total	0	0	0	0	0	250,000	250,000	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	125,000	125,000	0	0	0
	CFE	0	0	0	0	0	125,000	125,000	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:

Cash Fund name/Number, Federal Fund Name:

IT Request: No (If yes and request includes more than 500 programing hours, attach IT Project Plan)

Decision Item Criteria: Unforeseen Contingency

Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 will be forwarded to the OSPB analyst assigned to Personnel/GSS)

Request Affects Another Department(s): No (If yes, Name of other Department(s)________________________)

Efficiency and Effectiveness Analysis
Decision Item FY 2003-04

Department: Department of Personnel and Administration
Central Services, Document Solutions Group

Priority Number: 2 of 4

Program Title: Document Solutions Group – Contingency Spending Authority

Summary of Requested

Note: The Department of Personnel & Administration (DPA) has submitted a FY 2003-04 "Reorganization" decision item that is designed to align the Long Bill with actual business operations. The "Reorganization" decision item is requesting to consolidate the Pueblo Data Entry Center and Imaging and Microfilm Services programs into one program entitled the "Document Solutions Group." This "Contingency Spending Authority" request assumes approval of the aforementioned decision item. Without approval, this "Contingency Spending Authority" decision item request would need to be modified to allocate to multiple programs within Central Services.

The Division of Central Services, Document Solutions Group (DSG) is requesting contingency spending authority in the amount of $250,000: $125,000 cash funds, $125,000 cash funds exempt to be budgeted in a newly created program line item within the DSG. The spending authority would be restricted and would only be available to DSG upon approval by the Department's Budget Officer.

Problem or Opportunity Definition

Problem: State agencies typically utilize their operating budgets to pay for daily operating expenses and critical projects that need to be completed within any given fiscal year. However, at the latter part of each fiscal year, agencies typically have additional funds remaining that they budget to complete lower priority special projects. These projects often consist of micro-graphics, data entry, digital imaging and/or indexing for database retrieval. If the Division of Central Services does not have sufficient spending authority to cover the costs of these projects, state agencies are forced to use outside vendors and thus lose the opportunity of having the projects completed at substantially lower costs (see table A below). Also, for departments that have emergency situations, this type of fund would be beneficial. One example would be in the Division of Wildlife. The flare-up of Chronic Waste Disease created a need for the Division to capture vital data in an electronic format. This was not something that they forecasted and thus could not provide Central Services with enough time to request spending authority through the FY 2002-03 decision item process. Contingency spending authority would have provided DSG the means to bid on the project and be in a position to provide services at a lower cost than private vendors.

The chart below reflects a rate average for multiple page documents in the data entry service alone:

Table A
Example of Savings Offered By DSG

	Rate	Documents	Charge
DSG	$0.38	50,000	$19,000
Vendor A	$0.77	50,000	$38,500
Vendor B	$0.64	50,000	$32,000
Vendor C	$0.77	50,000	$38,500

Opportunity: If DSG has the opportunity to perform these projects, they would be able to provide savings to the state of approximately 40 to 50 percent. This request is not for additional dollars, but rather provides for offsetting spending authority in order for the Department to accept state agency business that was not planned for. The contingency spending authority would remain restricted until the Department's Budget Officer has approved the project.

Available Alternatives
1. Approve spending authority to provide service to agencies with special projects involving micrographic, data entry, digital imaging and indexing for database retrieval.
2. Do nothing – allow special projects to be outsourced to the private sector.

Linkage of Budgetary Expenditures to Full Range of Outcomes

The same money invested with DSG returns a higher yield due to lower costs provided to state agencies verses outside vendors. These costs savings are realized by Central Services through its economies of scale, in addition Central Services is not required to generate a profit or pay taxes.

Selected Analytical Technique

Cost effectiveness

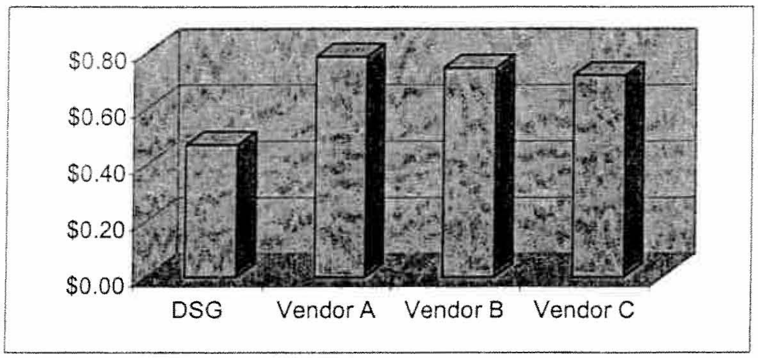
Discussion of alternatives

1. DSG is provided the offsetting spending authority to provide agencies with those special projects involving micrographic, data entry, digital imaging and indexing for database retrieval by getting the approval of the Restricted Contingency Spending Authority.

   - Central Services provides consistency in standards and quality, and is familiar with handling sensitive and confidential state documents.
   - Projects are often small and numerous and would therefore require many time-consuming supplementals to request increased spending authority in order for the Department to accept these jobs.

- Central Services must be able to satisfactorily demonstrate its ability to save cost over the private sector. Because DSG is not required to make a profit or pay taxes, it can often provide a lower cost solution. The vendors have to increase costs to cover overhead in order to show a profit. Chart A below illustrates DSG document charge comparisons (data entry):

CHART A



2. Do nothing and allow special projects to be outsourced to the private sector.

    - **The private sector is profit motivated.** It drives the economy and provides business incentive. However, it can also put the state in a position to pay more for a service that can be provided "in-house." Built into private sector rates is a profit margin for the vendor. The Central Services DSG has an infrastructure already in place to handle similar types of work. The state can take advantage of that existing infrastructure.

    - **The private sector has the goal to do as much work as possible.** An objective of Central Services is to make sure the work completed is needed and fits in with statewide goals. This will often conflict with a vendor's goals. For example, there was a recent situation in which a supplier recommended a scan solution to address a state need. It turns out that what was really needed was a document management solution. However, this image vendor wasn't selling the best solutions, they were selling their solution. It's not that suppliers are dishonest it's just that a centralized global look was needed. A state solution had the means to tie into legacy systems, internal network connections, and provide for better document management.

Recommendation

Because this request does not result in an increase to the state's budget and that considerable savings could be realized by the state, we recommend approval of the contingency spending authority in the amount of $250,000; $125,000 cash funds, $125,000 cash funds exempt.

Schedule 6

DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: 3 of 4
Division: Multiple
Program: Multiple

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobanet Date: 11/1/02

Request Title: Funding Mix Adjustment CF-CFE

Statutory Citation: Section 24-37-302

	Fund	1 Prior-Year Actual FY 2001-02	2 Appropriation FY 2002-03	3 Supplemental Request FY 2002-03	4 Total Revised Request FY 2002-03	5 Base Request FY 2003-04	6 Decision/ Base Reduction FY 2003-04	7 November 1 Request FY 2003-04	8 Budget Amendment FY 2003-04	9 Total Revised Request FY 2003-04	10 Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	10,763,336	10,702,675	0	0	10,702,675	0	10,702,675	0	0	0
	FTE	121.6	122.6	0.0	0.0	118.1	0.0	118.1	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,164,221	1,162,906	0	0	1,162,906	595,000	1,757,906	0	0	0
	CFE	9,599,115	9,539,769	0	0	9,539,769	-595,000	8,944,769	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Human Resource Services- Training Services- Personal Services	Total	150,321	165,765	0	0	165,765	0	165,765	0	0	0
	FTE	37.0	37.0	0.0	0.0	37.0	0.0	37.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	19,391	21,419	0	0	21,419	30,000	51,419	0	0	0
	CFE	130,930	144,346	0	0	144,346	-30,000	114,346	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Human Resource Services- C-SEAP- Personal Services	Total	261,747	263,943	0	0	263,943	0	263,943	0	0	0
	FTE	4.5	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	5,000	5,000	0	0	0
	CFE	261,747	263,943	0	0	263,943	-5,000	258,943	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Central Services-Integrated Document Factory-Reprographics Services	Total	3,234,993	3,251,565	0	0	3,251,565	0	3,251,565	0	0	0
	FTE	30.1	30.1	0.0	0.0	30.1	0.0	30.1	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	239,389	240,618	0	0	240,618	75,000	315,618	0	0	0
	CFE	2,995,604	3,010,947	0	0	3,010,947	-75,000	2,935,947	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Central Services-Integrated Document Factory-Mail Services	Total	5,558,849	5,535,004	0	0	5,535,004	0	5,535,004	0	0	0
	FTE	32.0	32.0	0.0	0.0	32.0	0.0	32.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	350,207	351,498	0	0	351,498	330,000	681,498	0	0	0
	CFE	5,208,642	5,183,506	0	0	5,183,506	-330,000	4,853,506	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Finance and Procurement-Collection Services	Total	1,071,527	1,070,964	0	0	1,070,964	0	1,070,964	0	0	0
	FTE	18.0	18.0	0.0	0.0	18.0	0.0	18.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	510,046	510,421	0	0	510,421	145,000	655,421	0	0	0
	CFE	561,481	560,543	0	0	560,543	-145,000	415,543	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Central Services-Maintenance-Camp George West	Total	485,899	415,434	0	0	415,434	0	415,434	0	0	0
	FTE	0.0	1.0	0.0	0.0	1	0.0	1.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	45,188	38,950	0	0	38,950	10,000	48,950	0	0	0
	CFE	440,711	376,484	0	0	376,484	-10,000	366,484	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:

Cash Fund name/Number, Federal Fund Name:

IT Request No (If yes and request includes more than 500 programming hours, attach IT Project Plan)

Decision Item Criteria: Technical Error

Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 should be forwarded to the OSPB analyst assigned to DPA)

Request Affects Another Department's): No (If yes, Name of other Department's)________________)

Efficiency and Effectiveness Analysis
Colorado Department of Personnel & Administration
FY04 Decision Item

Department: Department of Personnel & Administration (DPA)

Priority Number: 3 of 4

Request Title: Funding Mix Adjustment - Cash Funds to Cash Funds Exempt

Summary of Request

This request is an adjustment to the funding mix for various Long Bill line items throughout the Department. This is a technical request to properly align spending authority with estimated revenue projections.

Problem or Opportunity Definition

Beginning in FY 2001-02, DPA made a concerted effort to improve the accuracy of recording revenue throughout the Department. This involved working more closely with customers to identify if department revenues should be recorded as cash funds or cash funds exempt. In addition, the State developed more detailed revenue source codes to record revenues at a more detailed department and agency level, rather than the more global revenue type (non-exempt and exempt). As a result of this effort, the Department has identified the need to adjust the funding splits for several lines.

The Department requested a year-end transfer of $616,171 from cash funds to cash funds exempt for the Division of Human Resources, Risk Management Services, Property Premiums in FY 2001-02. The cash funds estimate for the Department of Higher Education was higher than actual cash fund revenues from the Department of Higher Education. Therefore, this transfer needed to be occur in order to avoid a technical over-expenditure. In addition, the Department experienced several other technical over-expenditures in lines where the cash funds estimate was lower than the actual cash funds revenues.

The Long Bill should reflect the estimated funding splits and properly identify the sources of revenue where appropriate. If this request is not approved, the Department will continue to experience a misalignment of revenue and spending authority, resulting in the need for year-end transfer requests and technical over-expenditures.

Available Alternatives

Alternative A: Make no additional budgetary adjustments to the Department's appropriations.

This alternative is not recommended. The Long Bill appropriations should accurately reflect the anticipated revenue sources and revenue types. The proper alignment of revenue annotations provides the Legislature, our customers, and Colorado citizens with a more accurate view of the Department's revenues through the Long Bill. When the Department's revenue types are not accurate, the Long Bill annotations are not correct and do not accurately reflect the State's estimated TABOR revenue. If no budgetary adjustments are made, the Department will continue to experience a misalignment of revenue and spending authority, resulting in the need for year-end transfer requests and technical over-expenditures.

Alternative B: Make the required budgetary adjustments to the Department's appropriations.

The recommended alternative is to align the Long Bill appropriations with the anticipated revenue sources and revenue types. As stated above, the proper alignment of revenue annotations provides the Legislature, our customers, and Colorado citizens with a more accurate view of the Department's revenues through the Long Bill. This alignment will ensure that the Long Bill annotations are correct and the State's estimated TABOR revenue is more accurately stated in the Long Bill. In addition, this will avoid the need for year-end transfer requests and technical over-expenditures.

Statutory and Other Authority

Section 24-37-302 (1): "The office (of State Planning and Budgeting) shall assist the governor in his responsibilities pertaining to the executive budget. Specifically, it shall: (a) design and prepare, in coordination with the joint budget committee of the general assembly, the forms and instructions to be used in preparation of all budget requests…Such budget requests shall include, but shall not be limited to, an analysis of costs, revenues, fund balances, and performance indicators for all programs notwithstanding the source of funds." The OSPB budget instructions indicate that decision items are required for changes in funding sources.

Section 24-37-304(1) (d) The Office of State Planning and Budgeting shall: "execute the appropriations acts or other acts having fiscal implications in such a manner as to assure compliance with the expenditure limitation, by source of funds, personnel authorizations, contingency and performance requirements, and legislative intent." In order to accomplish this in an effective manner, the expenditure limitations must be as accurate as possible.

Section 24-17-102 (1), C.R.S.: "Each principal department of the executive department of the state government listed in section 24-1-110 shall institute and maintain systems of internal accounting and administrative control within said department, which shall be applicable to all agencies within said department and which shall provide for: (c) Adequate authorization and record-keeping procedures to provide effective accounting control over state assets, liabilities, revenues, and expenditures."

Linkage of Budgetary Expenditures to the Full Range of Outcomes

This request supports the Department's three C's initiative that includes improving credibility within the financial management of the Department.

Selected Analytical Technique

Not applicable. This is a technical request.

Assessment of Alternatives

Not applicable. This is a technical request.

Assumptions and Calculations

The following items need to be adjusted in the Long Bill:

Long Bill Line Item	Cash Funds	Cash Funds Exempt	Comment
Human Resource Services - Training Services - Personal Services	$30,000	(30,000)	Additional training requests/Cash Funds from non-state agencies.
Human Resource Services – C-SEAP -Personal Services	5,000	(5,000)	Properly record revenue from TABOR exempt agencies.
Central Services – Integrated Document Factory – Reprographics Services	75,000	(75,000)	Additional workload/Cash Funds from TABOR exempt agencies.
Central Services – Integrated Document Factory – Mail Services	330,000	(330,000)	Additional workload/Cash Funds from TABOR exempt agencies.
Finance and Procurement - Collections Services	145,000	(145,000)	
Central Services – Facilities	10,000	(10,000)	Additional

Maintenance - Camp George West			workload/Cash Funds from TABOR exempt agencies.
Total	$595,000	($595,000)	

Recommendation

For the reasons stated above, the recommended alternative is Alternative B, to make the required budgetary adjustments to the Department's appropriations to align spending authority with estimated revenue projections.

Schedule 6
DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: 4 of 4
Division: Human Resources
Program: Risk Management

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Date:

Request Title: Workers' Comp. from DHS

Statutory Citation: Colo. CRS 24-30-1501, et seq.

	Fund	1 Prior-Year Actual FY 2001-02	2 Appropriation FY 2002-03	3 Supplemental Request FY 2002-03	4 Total Revised Request FY 2002-03	5 Base Request FY 2003-04	6 Decision/ Base Reduction FY 2003-04	7 November 1 Request FY 2003-04	8 Budget Amendment FY 2003-04	9 Total Revised Request FY 2003-04	10 Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	19,015,364	23,001,966	0	0	23,001,966	155,990	23,157,956	0	0	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	155,990	155,990	0	0	0
	CF	2,072,675	2,517,113	0	0	2,517,113	0	2,517,113	0	0	0
	CFE	16,942,689	20,484,853	0	0	20,484,853	0	20,484,853	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Workers' Compensation Premiums	Total	19,015,364	23,001,966	0	0	23,001,966	155,990	23,157,956	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	155,990	155,990	0	0	0
	CF	2,072,675	2,517,113	0	0	2,517,113	0	2,517,113	0	0	0
	CFE	16,942,689	20,484,853	0	0	20,484,853	0	20,484,853	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: No (If yes and request includes more than 500 programing hours, attach IT Project Plan)
Decision Item Criteria: New Data
Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 should be forwarded to the OSPB analyst assigned to DPA)
Request Affects Another Department(s): Yes (If yes, Name of other Department(s) - Human Services)

Schedule 6
DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Executive Director's Office
Program: MNT

Dept. Approval: Jennifer Okes   Date: 11/1/2002
OSPB Approval: Henry Sobanet   Date: 11/1/02

Request Title: DPA's MNT Adjustment (Statewide)   Statutory Citation: Senate Bill 96-102

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2001-02	Appropriation FY 2002-03	Supplemental Request FY 2002-03	Total Revised Request FY 2002-03	Base Request FY 2003-04	Decision/ Base Reduction FY 2003-04	November 1 Request FY 2003-04	Budget Amendment FY 2003-04	Total Revised Request FY 2003-04	Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	0	345,565	0	0	345,565	326,914	672,479	0	0	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	345,565	0	0	345,565	326,914	672,479	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Multiuse Network Payments	Total	0	345,565	0	0	345,565	326,914	672,479	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	345,565	0	0	345,565	326,914	672,479	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: Yes (If yes and request includes more than 500 programing hours, attach IT Project Plan)
Decision Item Criteria: New Data
Request for New or Replacement Vehicles: No
Request Affects Another Department(s): Yes (If yes, Name of other Department(s) - All)

Schedule 6

DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Executive Director's Office
Program: Vehicle Lease Payments Line Item
Request Title: DPA's Veh. Rec. Adjustment (Statewide)

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobanet Date: 11/1/02

Statutory Citation: (C.R.S. 24-30-1101 through 1118, see specifically 24-30-1104(2) and 24-30-1112 through 1117)

	Fund	1 Prior-Year Actual FY 2001-02	2 Appropriation FY 2002-03	3 Supplemental Request FY 2002-03	4 Total Revised Request FY 2002-03	5 Base Request FY 2003-04	6 Decision/ Base Reduction FY 2003-04	7 November 1 Request FY 2003-04	8 Budget Amendment FY 2003-04	9 Total Revised Request FY 2003-04	10 Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	139,912	164,744	0	0	164,744	19,812	184,556	0	0	0
	FTE	0	0	0	0	0	0	0	0	0	0
	GF	97,938	115,371	0	0	115,371	13,868	129,239	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	41,974	49,373	0	0	49,373	5,944	55,317	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Vehicle Lease Payments	Total	139,912	164,744	0	0	164,744	19,812	184,556	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	97,938	115,371	0	0	115,371	13,868	129,239	0	0	0
	CF	0	0	0	0	0		0	0	0	0
	CFE	41,974	49,373	0	0	49,373	5,944	55,317	0	0	0
	FF	0	0	0	0	0		0	0	0	0

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: No
Decision Item Criteria: New Data
Request for New or Replacement Vehicles: No
Request Affects Another Department(s): Yes (If yes, Name of other Department(s) - ALL)

Schedule 6

DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Central Services
Program: State Fleet Management

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobanet Date: 11/1/02

Request Title: Vehicle Replacements

Statutory Citation: (C.R.S. 24-30-1101 through 1118, see specifically 24-30-1104(2) and 24-30-1112 through 1117)

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2001-02	Appropriation FY 2002-03	Supplemental Request FY 2002-03	Total Revised Request FY 2002-03	Base Request FY 2003-04	Decision/ Base Reduction FY 2003-04	November 1 Request FY 2003-04	Budget Amendment FY 2003-04	Total Revised Request FY 2003-04	Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	15,183,592	17,638,256	0	0	17,638,256	655,250	18,293,506	0	0	1,330,519
	FTE	0	0	0	0	0	0	0	0	0	0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,336,156	1,552,166	0	0	1,552,166	0	1,552,166	0	0	0
	CFE	13,847,436	16,086,090	0	0	16,086,090	655,250	16,741,340	0	0	1,330,519
	FF	0	0	0	0	0	0	0	0	0	0
Vehicle Replacement Lease, Purchase or Lease Purchase	Total	15,183,592	17,638,256	0	0	17,638,256	655,250	18,293,506	0	0	1,330,519
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,336,156	1,552,166	0	0	1,552,166	0	1,552,166	0	0	0
	CFE	13,847,436	16,086,090	0	0	16,086,090	655,250	16,741,340	0	0	1,330,519
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:

Cash Fund name/Number, Federal Fund Name:

IT Request: No

Decision Item Criteria: New Data

Request for New or Replacement Vehicles: Yes

Request Affects Another Department(s): Yes (If yes, Name of other Department(s) Public Safety (CSP))

Schedule 6

DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Human Resources
Program: Risk Management
Request Title: Flood Zone A Insurance Coverage (Statewide)

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobanet Date: 11/1/02
Statutory Citation: Colo. CRS 24-30-1501, et seq.

	Fund	1 Prior-Year Actual FY 2001-02	2 Appropriation FY 2002-03	3 Supplemental Request FY 2002-03	4 Total Revised Request FY 2002-03	5 Base Request FY 2003-04	6 Decision/ Base Reduction FY 2003-04	7 November 1 Request FY 2003-04	8 Budget Amendment FY 2003-04	9 Total Revised Request FY 2003-04	10 Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	4,419,329	5,599,850	0	0	5,599,850	555,000	6,154,850	0	0	0
	FTE						0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,414,185	571,135	0	0	571,135	0	571,135	0	0	0
	CFE	3,005,144	5,028,715	0	0	5,028,715	555,000	5,583,715	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Property Premiums	Total	4,419,329	5,599,850	0	0	5,599,850	555,000	6,154,850		0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
	GF	0	0	0	0	0	0	0		0	0
	CF	1,414,185	571,135	0	0	571,135	0	571,135		0	0
	CFE	3,005,144	5,028,715		0	5,028,715	555,000	5,583,715		0	0
	FF	0	0	0	0	0	0	0		0	0
Line Item Name	Total										
	FTE										
	GF										
	CF										
	CFE										
	FF										

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: No (If yes and request includes more than 500 programing hours, attach IT Project Plan)
Decision Item Criteria: New Data
Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 will be forwarded to the OSPB analyst assigned to DPA)
Request Affects Another Department(s): Yes (If yes, Name of other Department(s) (All - See attached)

Schedule 6
DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Central Services
Program: State Fleet Management

Dept. Approval: Jennifer Okes Date: 11/1/2002
OSPB Approval: Henry Sobant Date: 11/1/02

Request Title: SFM CFE Veh. Rec. Adjstmnt (Statewide)

Statutory Citation: (C.R.S. 24-30-1101 through 1118, see specifically 24-30-1104(2) and 24-30-1112 through 1117)

	Fund	1 Prior-Year Actual FY 2001-02	2 Appropriation FY 2002-03	3 Supplemental Request FY 2002-03	4 Total Revised Request FY 2002-03	5 Base Request FY 2003-04	6 Decision/ Base Reduction FY 2003-04	7 November 1 Request FY 2003-04	8 Budget Amendment FY 2003-04	9 Total Revised Request FY 2003-04	10 Change from Base in Out Year FY 2004-05
Total of All Line Items	Total	15,183,592	17,638,256	0	0	17,638,256	-183,691	17,454,565	0	0	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,336,156	1,552,166	0	0	1,552,166	0	1,552,166	0	0	0
	CFE	13,847,436	16,086,090	0	0	16,086,090	-183,691	15,902,399	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Vehicle Replacement Lease, Purchase or Lease Purchase	Total	15,183,592	17,638,256	0	0	17,638,256	-183,691	17,454,565	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	1,336,156	1,552,166	0	0	1,552,166	0	1,552,166	0	0	0
	CFE	13,847,436	16,086,090	0	0	16,086,090	-183,691	15,902,399	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:

Cash Fund name/Number, Federal Fund Name:

IT Request: No

Decision Item Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes (If yes, Name of other Department(s) - ALL)

Schedule 6
DECISION ITEM FOR FISCAL YEAR 2003-04

Department: Personnel & Administration
Priority Number: N/P
Division: Central Services
Program: Mail Services
Request Title: Postage Increase (Statewide)

Dept. Approval: Jennifer Okes **Date:** 11/1/2002
OSPB Approval: Henry Sobanet **Date:** 11/1/02
Statutory Citation: C.R.S. 24-30-1101 through 1118, see specifically 24-30-1102(4), 24-30-1104(1) and 24-30-1111.

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2001-02	Appropriation FY 2002-03	Supplemental Request FY 2002-03	Total Revised Request FY 2002-03	Base Request FY 2003-04	Decision/ Base Reduction FY 2003-04	November 1 Request FY 2003-04	Budget Amendment FY 2003-04	Total Revised Request FY 2003-04	Change from Base in Out Year FY 2004-05
Total	Total	5,558,849	5,535,004	0	0	5,535,004	321,225	5,856,229	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
	GF	0	0	0	0	0	0	0	0	0	0
	CF	350,207	354,240	0	0	354,240	0	354,240	0	0	0
	CFE	5,208,642	5,180,764	0	0	5,180,764	321,225	5,501,989	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Operating Expenses	Total	5,558,849	5,535,004	0	0	5,535,004	321,225	5,856,229	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	350,207	354,240	0	0	354,240	0	354,240	0	0	0
	CFE	5,208,642	5,180,764	0	0	5,180,764	321,225	5,501,989	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letter Notation:
Cash Fund name/Number, Federal Fund Name:
IT Request: No (If yes and request includes more than 500 programing hours, attach IT Project Plan)
Decision Item Criteria: New Data
Request for New or Replacement Vehicles: No (If yes, a copy of the Schedule 6 should be forwarded to the OSPB analyst assigned to DPA)
Request Affects Another Department(s): Yes (If yes, Name of other Department(s)(See Attachements)

Efficiency and Effectiveness Analysis
Multi-Use Network Rate Implementation

Type of Request: Decision Item

Department: Department of Personnel and Administration

Priority Number: 1 of 4

Long Bill Group/Division: Division of Information Technologies

Program Title: Network Services – MNT Project

Summary of Requested Alternative:

This request is for a statewide decision item of $4,872,958 (total state agency funds) for FY 2003-04. The attached spreadsheet outlines the distribution of this request by department with revenue estimates.

This additional funding is necessary for departments to support the implementation of statewide Multi-Use Network (MNT). Failure to fund this request will jeopardize the MNT project. This would adversely impact economic development in local communities, continue the State's fragmented network purchasing practices and reduce the interoperability of state networks. The net effect of this fragmentation is that many rural communities will be left out of the new economy while the State will be unable to provide the necessary foundation for e-government services and distance learning, high-speed Internet services and tele-medicine.

A supplemental request for FY 2003-04 will also be submitted.

Project Description:

The Colorado High-speed Digital Network is a public/private partnership to build a high-speed fiber-optic network for the State of Colorado. This network will provide a robust, seamless, statewide network for state agencies, local governments, schools, libraries, non-profit hospitals, private industry, and citizens. This network is the vendor-owned telecommunications network backbone that extends to each of Colorado's 64 county seats. This backbone is currently in its third and final year of construction by the Qwest consortium. The Multi-Use Network (MNT) is the portion of this network that is used by the State, local governments, and non-profits in order to aggregate total communication usage from many current networks into a single network. The State serves as anchor tenant to the Colorado High-speed Digital Network through the MNT. As anchor tenant, the State's investment will help leverage the development of telecommunications infrastructure and expand delivery of advanced services to all geographic regions of the State.

The MNT was developed to improve the economic development opportunities statewide by creating the necessary incentive for the private sector to upgrade their equipment and capabilities in all areas of the State. Establishing a single statewide network that links all sites in the State with the same level of capabilities affords all Colorado citizens an equal opportunity to participate in the new economy by providing distance learning, high speed Internet connection, video conferencing, voice over IP and tele-medicine technologies.

The primary objective of the MNT was to "bridge the digital divide" by providing:

- Broadband access to remote counties to promote economic development;
- Distance-learning opportunities for K-12 and local communities; and
- Potential long-term economic advantages that may result from aggregating state agencies' communications traffic into one statewide network.

Benefits and Advantages

The primary benefits and advantages of the MNT project can be summarized as follows:

- State agencies, schools, libraries, and institutions of higher education will no longer need to purchase telecommunication services in a piecemeal fashion. An aggregated network approach streamlines government by avoiding additional expenditures for duplicative state networks and provides the base infrastructure for electronic transactions with government.
- The MNT supports education both at the K-12 and Higher Education levels by establishing the infrastructure for interactive learning and distance learning and future connection to Internet 2.
- The MNT supports tele-medicine in rural communities.
- The MNT promotes rural economic development by extending telecommunications infrastructure to all corners of the State by encouraging private investment with the State acting as the anchor tenant.

At the completion of this project, Colorado will have established the required backbone for the e-government and access to broadband telecommunications at the county seat for public as well as private subscribers.

Many of the expected benefits of the statewide seamless high-speed broadband network (i.e., economic growth, increased productivity, enhanced connectivity) will be realized primarily by the private business sector, local governments, non-profit organizations and the citizens of Colorado. These economic benefits are not quantified as a credit against the required deployment costs imposed on DoIT under the contract with the Qwest consortium.

Enabling Legislation

The MNT concept was developed in response to legislation passed by the General Assembly of the State of Colorado in 1996. The intent of Senate Bill 96-102 was to connect urban and rural communities across the State. From the start, the development of a public/private partnership was central to the concept of a MNT. The mandate for infrastructure development is aligned with local economic development based on the availability of advanced telecommunication services. Senate Bill 96-197 refers to the selection and operation of a Multiple-use Network. This is defined as a digital network capable of carrying integrated voice and video as well as text, graphics, and other electronic data between and among schools, public libraries, institutions of higher education, and state agencies. The Bill mandated that the State investigate and select one or more multiple-use networks to accomplish this.

The Multi-Use Network Task Force was assembled in October 1997 to evaluate the State's current and future use of telecommunications and to make strategic recommendations based upon its findings. This inter-departmental task force developed the "Strategic Plan for a Statewide Telecommunications Infrastructure." Based on that plan, the strategy for the MNT project is for state agencies, schools, libraries, and institutions of higher education to purchase telecommunication services in a coordinated fashion and to aggregate the existing telecommunications traffic. In addition, local governments and municipalities will join the MNT through the Community Based Access Grant Program (Beanpole grants) created by House Bill 99-1102. The Beanpole grants are designed to provide incentives to local communities to aggregate their own telecommunications demands and tie into the MNT using the closest ANAP, creating yet higher demand for network services.

Executive Order

On January 12, 2000, Governor Owens issued Executive Order B0201. This Order requires state agencies, departments, institutions, including higher education institutions, to migrate their telecommunications network and traffic to the MNT. The Executive Order re-creates the MNT Task Force with the responsibility to ensure aggregation of the State's purchases for telecommunication services and to promote standards for compatibility of equipment and software among all state agencies. The Department of Personnel is given the overall responsibility to implement and operate the MNT with oversight by the Task Force.

Project Partners/Contract

Qwest and subcontractors (CenturyTel, Phillips County Telephone Company, Eastern Slope Telephone Company, and Cisco Systems) are the awarded private partners for the project who are building the high-speed network. In June 2000, the State entered into a contract with Qwest to deploy the network. This contract requires Qwest to engineer, test, and deliver the network configuration for the Colorado High-speed Digital Network, including the State's MNT. This infrastructure will be owned, managed, and monitored by Qwest.

The State of Colorado is the anchor tenant partner and as such, uses the significant aggregated telecommunications requirements of state government agencies as the leverage investment for extension of telecommunication capabilities and advanced services into all geographic areas of the State. Both the legislation and the contract revolved on the concept that the State would assume the role of anchor tenant to provide incentives for a public-private partnership that would bring advanced telecommunication services to all parts of Colorado. This has not come without additional costs to the State. The State contracted to lease a minimum of 20 megabits of bandwidth to every ANAP in the State. The State also contracted to pay for the services to maintain the necessary switches at the ANAPs and EDGE sites.

Implementation Phases

The project will be conducted in three one-year phases (Fiscal Year 2000-01 to Fiscal Year 2002-03) in which 70 ANAPS or Aggregated Network Access Points will be implemented across the state. An ANAP is defined as a minimum of 20 megabits of access capability for state government network users in an area. This service will be delivered over the new fiber optic network utilizing ATM (Asynchronous Transfer Mode) technology. Forty-three ANAPS were implemented in Phase I; an additional eleven ANAPS were implemented in Phase II, year 2002; and the final sixteen ANAPS will be implemented in Phase III, year 2003. The counties below are listed alphabetically within each phase.

- Phase I ANAPS: Completed – Adams, Alamosa, Arapahoe, Baca, Bent, Boulder, Broomfield, Clear Creek, Crowley, Delta, Denver (4 sites), Douglas, Eagle, El Paso, Elbert, Fremont, Garfield (2 sites), Gilpin, Gunnison, Huerfano, Jefferson, La Plata, Larimer, Las Animas, Lincoln, Logan, Mesa, Montezuma, Montrose, Morgan, Otero, Pitkin, Prowers, Pueblo, Sedgwick, Summit, Washington, Weld, and Yuma.

- Phase II ANAPS: Completed– Chaffee (2 sites), Conejos, Costilla, Custer, Dolores, Grand, Moffat, Phillips, Routt, Saugache.

- Phase III ANAPS: Year 2003 – Archuleta, Cheyenne, Hinsdale, Jackson, Kiowa, Kit Carson, Lake, Lincoln, Mineral, Ouray, Park, Rio Blanco, Rio Grande, San Juan, San Miguel, Teller.

MNT Billing and Rates

The statewide MNT project has resulted in changes in some telecommunications rates, the elimination of some rates, and the addition of other rates:

- As a result of the MNT contract, distance-sensitive "backhaul" charges for connecting to the statewide backbone network have been virtually eliminated.

- The charges of 22.58 percent of tariff for frame circuits and 15.58 percent of tariff for ATM circuits have been replaced with a 23 percent Colorado Digital-Divide Elimination Fund (CDEF) charge. CDEF covers a portion of the MNT contractual fees, including Qwest project management fees, Aggregated Network Access Point (ANAP) fees, state core switch (MGX) maintenance and management fees, LATA Crossing, edge and super ANAP circuits, and ISP-layer three development and maintenance fees.

- Customers with circuits terminating at a Division of Information Technologies (DoIT) aggregation site will still be assessed a port and link (hookup) charge to that site.
- There have been substantial reductions in ISDN and PRI digital trunk charges.

The net result is an entirely new model for telecommunications pricing throughout Colorado. By virtually eliminating backhaul charges for *all* telecommunications customers, MNT will help bring economic development to every county in Colorado – not just for MNT users, but also for local governments, businesses, and private citizens.

Pursuant to Section 24-30-908, C.R.S., MNT rates must not only cover the actual cost of providing telecommunication service, but must be competitive with commercial rates. This is especially critical to ensure that MNT can attract public-sector customers outside of state government. Those customers are not obligated to use the MNT, and therefore, substantial rate disparities in comparison to other offerings will drive customers away from the network. A loss of customers would seriously impair the State's ability to offer a seamless high-speed broadband network to all corners of the State.

Problem or Opportunity Definition:

The Division of Information Technologies (DoIT) division, working in cooperation with state departments, estimated the MNT costs for each department. State agencies cannot absorb the expected MNT costs within existing budgets. It is necessary to align departmental appropriations with expected costs to ensure the success of the MNT and to ensure that the State is able to meet contractual obligations with Qwest.

Available Alternatives:

Alternative #1

Align departmental appropriations with expected MNT costs. This alternative is recommended. This alternative allows the State to fulfill its contractual obligations to Qwest as the anchor tenant on the Colorado High-speed Digital Network to succeed. As a result, the benefits to state agencies, local governments, private businesses, and citizens throughout the State can be realized.

Alternative #2

Maintain departmental appropriations at current levels. This alternative is not recommended. This alternative would result in severe negative consequences for the State and for the MNT project. Without an alignment of departmental appropriations with estimated MNT costs, departments would not be able to convert telecommunications traffic to the Multi-Use Network. However, the State is contractually obligated to lease 20 megabits of bandwidth at each ANAP. Therefore, the cost of this bandwidth must be covered regardless of the traffic. As state statutes require the Department to charge the full cost of telecommunication services to user agencies, the MNT rates for existing customers would be increased to cover these costs. This would drive away local government and non-profit customers who can access the private-side of the high-speed digital network, rather than the MNT.

Statutory and Other Authority

Senate Bill 96-102 authorized the Multi-Use Network project

Linkage to Objectives

This request ties to the following objective in the Strategic Plan:

1.4: Annually, identify the appropriate level of funding per service for DPA and client agencies by accurate tracking of utilization data and payments received, and tracking of DPA costs and cost trends.

Other Key Factors for Decision-Making

MNT Utilization

The anticipated MNT costs for state agencies is dependent on a number of assumptions used to establish billing rates and estimate departmental costs. It was difficult to establish many of these assumptions as the MNT is newly implemented and there is limited historical information.

MNT costs are primarily driven by contractual costs and DoIT personnel costs. Since costs are relatively stable, the primary driver of billing rates is the level of volume used by state agencies, local governments and non-profits. While there is historical data on telecommunication utilization for state agencies, it is difficult to obtain accurate usage information due to the decentralized nature of telecommunication services. The current volume estimates for data circuits are based upon state accounts identified by Qwest representatives. It appears that many state accounts may not have been properly identified during this exercise. DoIT has been working diligently with state agencies and Qwest to identify accurate circuits and telecommunication utilization. This effort has improved the quality of the information. This information is used as the basis to determine the services to be converted to the MNT network. Future utilization is estimated by projecting the anticipated growth in telecommunication through known projects and systems.

There is almost no available historical information on telecommunication utilization by local governments and non-profits. Furthermore, there is no way to project the level of local and non-profit traffic on the MNT in the future. Local governments and non-profits are able to access the MNT through DoIT. However, they are also able to access the high-speed digital network directly through the Qwest consortium. Depending on the volume of local government and non-profit traffic on the MNT, the MNT rates could substantially fluctuate. In other words, the more local governments and non-profits that access the MNT, the more MNT rates will be reduced. In turn, this will reduce the estimated costs for state agencies.

DoIT is actively engaged in a customer outreach and marketing effort to communicate the benefits of the MNT to local governments and non-profits. This customer outreach and marketing effort is being coordinated with the Department of Local Affairs – Beanpole Project and the Qwest consortium. The response to initial discussions with local governmental groups about the MNT project has been very positive. In addition, DoIT is dedicated to completing the review of state telecommunication circuits with the assistance of Qwest and state agencies to ensure all state traffic has been identified and attributed properly to the MNT network. If additional traffic were identified, a corresponding decrease in rates would be implemented.

MNT utilization will be monitored on an ongoing basis and rates will be reviewed periodically to determine the possibility of rate reductions.

The Cost of Bridging the Digital Divide

The Colorado High-speed Digital Network could not have been built without the involvement of the State as an anchor tenant. Low-population outlying counties including Baca, Bent, Custer, Otero and Alamosa, will receive the same services as metropolitan counties. Although the cost to provide the service in these areas is significantly higher than the metropolitan area, the potential revenue to offset these costs is miniscule. This results in a significant revenue shortfall. For example, Alamosa would recover approximately $900 per month in revenue, while the Aggregated Network Access Point (ANAP) access fees alone may be $2,500. This disparity is more pronounced in Springfield which will recover approximately $125 per month in revenues, yet may experience an ANAP fee of $9,500 per month.

Cost Neutrality

Originally, the Multi-Use Network was thought to be cost-neutral to the State. This conclusion was based upon the study of historical data that led to several assumptions. Two studies conducted in 1997 and 1998 found that state spending on telecommunications surpassed $15.9 million dollars, excluding higher education spending. Additionally, there were projects not yet complete that would drive substantial telecommunication needs. Original projections had the additional MNT costs totaling $13.5 million annually. These costs would be spread across an estimated 4,000 to 5,000 state circuits.

It appears that the estimated state telecommunication spending included voice and data telecommunication expenses, where only data is being converted to the MNT initially. In addition, it is unclear if the original estimates of circuits included data and voice circuits. It has been determined that the amount of network usage (and therefore the resulting revenue stream) that was initially projected to be run through the MNT does not yet exist. In fact, the most recent inventories show only about 1,600 data circuits being converted to the network. Therefore, each circuit must carry a significantly larger portion of the MNT costs. Additional technology will allow voice to be added to the network in the future. A search is currently underway to determine how many circuits are billed directly to the state agencies that could be converted to MNT. A snapshot of Qwest billings direct to state agency addresses showed approximately 1, 000 such circuits. Although these circuits will not achieve the estimates made in 1997 and 1998, they will allow the MNT costs to be spread over more than the current number of circuits.

Assumptions and Calculations –

1. Primary MNT costs, including MNT contractual costs, include the following items:

a. DoIT Personal Services $ 821,625

The MNT project team consists of 16 technical, order entry and billing, security, finance and budget and management personnel who oversee the project build-out, state agency circuit conversion and aggregation and subpolitical participation.

b. Economic Development Subsidy (ANAPs and EDGE sites) $ 4,208,922

These access fees are fundamental to the MNT network design. Each ANAP provides access to high-speed network service for the communities located in and around each of Colorado's 64 counties. These fees represent charges to the state government, which serves as the "anchor tenant" for the network. Access is extended to all local jurisdictions, K-12 schools, and other non-profit service agencies, which is again fundamental to providing high-speed broadband for each county seat. The ANAP access fee is for 65 operational ANAPs during FY 2003-04.

As "anchor tenant," the State is committed to becoming the major customer at each ANAP at the county seat. At the completion of Phase III, the network will have deployed all 65 ANAPs and 5 Super ANAPs designated in the IMC strategic plan. In essence, Colorado state government, through its respective state agencies has established the business case a private consortium to build-out a full service broadband, ATM, and frame relay network to all counties in Colorado. Thus, the "Colorado digital-divide" will no longer exist and state government will have in place a reserved portion (20 megabits) of the "Colorado High-Speed Digital Network" for government services.

Some ANAP fees in the original contract are being re-negotiated. If current contract modification efforts are successful, the total ANAP fees for the final two years of the contract (years 4 and 5) will be reduced by $926,133. Since the contract has not yet been legally changed, the reduction is not included in this Decision Item document.

Edge sites are network aggregation points located throughout the state where local entities and state agencies wishing to connect to the MNT network can "hook up." There will be a total of 39 Edge sites located throughout the state when all are completed in June 2003.

c. MNT operational expenses $6,539,741

Operational expenses include all actual circuit costs for state agency circuits administered by DoIT plus various types of core switch and network equipment maintenance costs. DoIT and the MNT project are committed to providing state-of-the-art reliable network services 24 hours per day, 7 days a week. Complete and total management of the core switches is critical to this objective. This Network Monitoring and Maintenance Service (NMS) was outsourced to Qwest who has demonstrated experience in managing CISCO carrier class switching, fault management configuration and reporting.

In addition to core switch maintenance, State edge sites (CISCO 6509) must be managed. At selected customer agency locations, the MNT project is designed to provide ATM technology capable equipment. The State will have 39 CISCO 6509 router-concentrators turned on and in service at the various Edge sites. Management and maintenance of these critical switching capabilities are requirements to ensure network reliability and quality-of-service commitments to customers.

Other operational expenses include LATA Crossing for Edge & SANAP circuits. These costs are incurred to provide network backbone services that benefit all customers of the MNT. These services include crossing the LATA (the boundary between the Northern and Southern Colorado telecommunication service areas) and providing the high-capacity Capitol Complex ATM network backbone.

DoIT provides Internet connection capability for all MNT eligible customers including state and local government and non-profit agencies. DoIT is a member of the Front Range Gigapop (FRGP) and as such offers the most cost effective Internet access to eligible customers. The state's Internet costs have been reduced from approximately $28,000 per month to approximately $7,000 per month through participation in the Front Range GigaPop.

d. The following off budget expenses must also be met by MNT.

Interest expense	$81,000
Indirect costs	$227,340
Workers comp	$5,497

2. A summary of the estimated MNT costs for each department and the FY03 decision item to align departmental appropriations with these costs is included below.

Amounts by Agency including subpoliticals:

Agency	Agency Code	FY03 Line	Total Required	Increased Amount
Human Services	IHA	$ 1,305,788	$ 2,541,100	$ 1,235,312
Revenue	TAA	$ 680,595	$ 1,324,457	$ 643,862
Public Safety	RAA	$ 1,164,559	$ 2,266,264	$ 1,101,705
Personnel & Administration	AMA	$ 345,565	$ 672,479	$ 326,914
Corrections	CAA	$ 582,599	$ 1,133,754	$ 551,155
Transportation	HAA	$ 480,000	$ 934,093	$ 454,093
Natural Resources	PAA	$ 414,360	$ 806,356	$ 391,996
Council on the Arts	GBA		$ -	$ -
State	VAA		$ -	$ -
Public Defender	JCA	$ 84,729	$ 164,885	$ 80,156
Agriculture	BAA	$ 9,854	$ 19,176	$ 9,322
Public Health	FAA	$ 39,735	$ 77,325	$ 37,590
Correctional Industries	CFA		$ -	$ -
Regulatory Affairs	SAA	$ 19,120	$ 37,208	$ 18,088
Labor & Employment	KAA	$ 21,801	$ 42,425	$ 20,624
Economic Development	EDA	$ 2,263	$ 4,404	$ 2,141
Community Colleges	GJA		$ -	$ -
Local Affairs	NAA		$ -	$ -
Education	DAA		$ -	$ -
Historical Society	GCA		$ -	$ -
Non-state (subpoliticals)	999	$ 955,896	$ 1,860,200	$ 904,304
Totals		$ 6,106,864	**$ 11,884,126**	$ 5,777,262
Total without Non-states				**$ 4,872,958**
MNT Total Expenses FY04		$12,798,163		
Depreciation		$ 914,037		
MNT Total Expenses Excluding Depreciation		**$11,884,126**		

Additional Detail that References the Table Above:

1. DoIT revenue is based on a 23% billing rate (add-on) to the respective agencies' circuit costs.
2. Higher Education, with the exception of orphan agencies, is not included. A separate study is underway to determine the appropriate levels of MNT

participation for each of the major educational institutions and community college system.

3. The current number of circuits on MNT is approximately 2,100. The actual number of circuits does not substantially effect the revenue projections at the 23% billing rate level. In other words, even if the number of circuits on MNT were to double with the corresponding doubling of revenue to DoIT, at 23%, the program expenses will not be recovered.

The following table shows the relationship between FY02 actual agency spending on MNT compared to the FY03 MNT lines in the Long Bill. FY02 Annualized Actual takes the May and June 2001 actual billing averages and annualizes them. This was done to account for the fact that circuits were converted onto MNT between December 2000 and June 2001. Therefore the actual for FY02 is not indicative of what FY03 might look like.

Agency		Agency FY03 MNT Lines		FY02 Annualized Actual	%Growth over FY02 Actual
Human Services	$	1,305,788	$	476,142	274.24%
Revenue	$	680,595	$	735,120	92.58%
Public Safety	$	1,164,559	$	439,524	264.96%
Personnel & Administration	$	345,565	$	377,010	91.66%
Corrections	$	582,599	$	301,890	192.98%
Transportation	$	480,000	$	290,940	164.98%
Natural Resources	$	414,360	$	132,168	313.51%
Council on the Arts			$	40,464	0.00%
State			$	37,524	0.00%
Public Defender	$	84,729	$	34,476	245.76%
Agriculture	$	9,854	$	21,612	45.60%
Public Health	$	39,735	$	16,698	237.96%
Correctional Industries			$	13,140	0.00%
Regulatory Affairs	$	19,120	$	12,660	151.03%
Labor & Employment	$	21,801	$	7,032	310.03%
Economic Development	$	2,263	$	6,744	33.56%
Community Colleges			$	6,324	0.00%
Local Affairs			$	5,268	0.00%
Education			$	5,268	0.00%
Historical Society			$	6,744	0.00%
Non-state (subpoliticals)	$	955,896	$	477,948	200.00%
Totals	$	6,106,864	$	3,444,696	177.28%

Recommendation:

Alternative #1 is the recommended approach, as it will help ensure the success of the MNT project and will ensure the State is able to meet contractual obligations with Qwest.

The Legislature and the Governor, through Legislation and Executive Order, have clearly indicated that the MNT project represents an important statewide priority. The State and each local community must recognize their common goal of providing a seamless telecommunications infrastructure throughout the State in order to provide the foundation for electronic government.

The State must take a leadership role in utilizing the MNT network. Thus, it is imperative that state agencies are able to convert telecommunication services to the MNT network and be able to pay for these services. This will provide the foundation utilization levels for the MNT that can be built upon by local government and non-profit traffic.

Failure to support this project will slow development efforts by the MNT public/private partnership and adversely impact the economic development efforts of local communities. Without the MNT, the State's current fragmented network purchasing practices inhibit economies of scale and interoperability of networks. The net effect of this fragmentation is that many rural communities will be left out of the new economy while the State will be unable to provide the necessary foundation for e-government services, distance learning, high-speed Internet services, and tele-medicine.

Statewide MNT Decision Item Request FY 2003-04
Estimated Funding Splits

Department/Agency	Total	GF	CF	CFE	HUTF	FF	MCF	MGF	TOTAL	Audit
Agriculture	$9,322	$9,322							$9,322	ok
Corrections	551,155	551,155							551,155	ok
Governor's Office	2,141	2,141							2,141	ok
Human Services	1,235,312	805,503	24,061	36,785		368,963	21,110	10,555	1,235,312	ok
Labor & Employment	20,624	-	4,249	2,427		13,948			20,624	ok
Natural Resources	391,996	220,514	23,234	146,404	-	1,844			391,996	ok
Non-State Agencies	904,304		904,304						904,304	ok
Personnel & Administration	326,914			326,914					326,914	ok
Public Defender	80,156	80,156							80,156	ok
Public Health	37,590			37,590					37,590	ok
Public Safety	1,101,705	1,026,889		39,561	35,255				1,101,705	ok
Regulatory Affairs	18,088	-	10,672	7,416					18,088	ok
Revenue	643,862	256,888	14,202	345,938	26,834				643,862	ok
Transportation	454,093			454,093					454,093	ok
TOTAL	**$ 5,777,262**	**$ 2,952,568**	**$ 980,722**	**$ 1,397,128**	**$ 62,089**	**$ 384,755**	**$ 21,110**	**$ 10,555**	**$ 5,777,262**	ok

Efficiency and Effectiveness Analysis
Colorado Department of Personnel & Administration
FY04 Decision Item

Department: Department of Personnel & Administration (DPA)
Division of Human Resources
State Risk Management Office

Priority Number: 2 of 4

Request Title: Flood Zone A Risk Management Supplemental Insurance

Summary of Request

This is a statewide request to provide Flood Zone A insurance coverage to protect state owned assets that reside in a Flood Zone A designated area. The request is for a total of $379,712 (Non-Higher Education Agencies); $0 General Fund, $7,158 cash funds, $897,864 cash funds exempt ($555,000 of which is CFE to cover the State Risk Management Office's expenditures to the carrier), and $3,381 federal funds (See attachment A).

Pursuant to the Risk Management Act (C.R.S. 24-30-1501, et seq.), the primary mission of the State Risk Management Office (SRMO) is to protect state assets. Since 1989, the SRMO has served all state agencies, schools and employees (except the Colorado University system). Property losses (state-owned real and personal property) are a cost of doing business. They arise from forces of nature (flood, wind, hail, etc.), and from such things as theft and vandalism. In general, appropriations are based on the premium costs of commercial property, and boiler & machinery policies. Those premiums are driven by building and content values. Claim histories are involved to the extent that they influence rates set by insurance company underwriters. The State has identified a gap in coverage pursuant to recent changes in the underwriting standards of property insurers. This gap in coverage leaves an exposure to the State that could significantly impact the budgets of several state agencies and the entire state budget as a whole.

Problem or Opportunity Definition

Due to the extraordinary occurrence of September 11, 2001, the insurance market changed dramatically from what it had been over the last few years. Property insurance saw a dramatic increase in cost, and in turn, coverage limits changed. We are now seeing insurance companies continue to raise their deductible limits to higher levels, which has resulted in a decreased in the amount of coverage that we had become used to in the past. The State recently attempted to place coverage in our property program to provide coverage for flood loss. While the 9/11 event does not directly involve flood loss, insurer's are continuing to re-evaluate catastrophic exposures. With the exception of fire, the single greatest exposure that the State of Colorado faces is flood. Insurance companies have restricted coverage in this particular area, and buildings that are located in Flood Zone A are specifically identified by insurers to be of high risk. Insurance companies preview the insurability of a particular location or locations through a process known as underwriting. This process is a way for insurance companies to pre-determine if they wish to insure a particular building or set of buildings.

Pursuant to the new underwriting process that insurer's require (including extensive data collection), the SRMO contracted in 2002 with the State's insurance broker to conduct a statewide study to identify which State buildings were located in flood zones. Without this study the State of Colorado would not have been able to purchase coverage for any state building. This study was performed prior to the renewal date of July 1, 2002, but the work product remains in place as a crucial component of the underwriting process. As a result of the work conducted by the SRMO and its insurance broker, coverage has been provided by the insurance companies to insure state property. However, since the policy effective date of July 1, 2002, the State of Colorado's Property Program has a $1,000,000 deductible (per building) for the peril of flood if the property is in a Special Area Flood Zone, usually referred to as Flood Zone A or A equivalent.

Due to budgetary constraints, it was not possible to fund the cost of purchasing deductible reduction policies for FY 2002-03. However, the need to confront this situation continues to exist as an exposure for FY 2003-04. Therefore, the SRMO must again advise those agencies, divisions or departments identified in the flood study having State buildings located in Flood Zone A areas, that the deductible amount for flood coverage will be an issue.

In summary, since a budgetary shortfall has been created due to the increase in Flood Zone A deductible costs, the SRMO is unable, within current funding, to provide coverage for the $1,000,000 deductible amounts on buildings listed in Flood Zone A. The Special Area Flood deductible is five percent of the reported total insurable values at the location, subject to a minimum of $1,000,000. This means that if the total insurable value of the building is less than $20 million, the deductible is $1,000,000. For example, if the total insurable value of the building is 15,000,000, five percent of that value is $750,000, and the deductible would be $1,000,000. Another example: if the total insurable value of the building is $39,000,000, five percent of the total insurable value is $1,950,000, and the deductible would be $1,950,000.

A review of the Special Area Flood deductible clearly indicates that a significant amount of coverage is missing that directly impacts those buildings located in Flood Zone A. There are more than 230 State buildings in Flood Zone A, each subject to a $1,000,000 deductible. Transferring the risk of this potentially severe fiscal impact will require the purchase of additional Flood Zone A coverage. The SRMO has contracted with Marsh, Inc., the State's insurance broker, to assist the State in placing coverage to address the increase in deductible costs. Marsh has identified an insurance company that can provide coverage (pursuant to the National Flood Insurance Program) for those buildings located in Flood Zone A. That program will cost an average of $5,000 per building. The SRMO and Marsh have estimated (using the 111 buildings that exceed $50,000 in value, the total cost to provide insurance policies for the $1,000,000 deductible gap, to be $450,000 for Non-Higher Education agencies and $105,000 for Higher Education institutions.

Available Alternatives

1. Take no action, and subject the agencies to the risk of the $1,000,000 Flood Zone A deductible cost per building.
2. Identify those agencies that have buildings (exceeding $50,000 in value) in Flood Zone A, and have the SRMO pay for the additional flood coverage from the current fund balance.
3. Identify those agencies that have buildings (exceeding $50,000 in value) in Flood Zone A, and appropriate to those agencies an amount based on an allocation methodology established by the SRMO.

Statutory and Other Authority

C.R.S 24-30-1501, et seq.

Linking Budgetary Expenditures to the Full Range of Outcomes:

The analysis of the property fund establishes an amount necessary to pay both projected claims within the annual aggregate deductible (similar to a self-insured retention), and the premiums for maintenance of insurance policies and broker services. That analysis is based on industry research conducted by the State's contract insurance broker. The 9/11 event contributed to extreme underwriting actions by various insurance companies. The resulting increases in premiums and deductibles included a focus on high-risk found in Flood Zone A exposures. While the SRMO and the State's contract broker successfully structured a property program for fiscal year 2003-04, it came with continued restrictions in flood coverage; namely, a minimum $1,000,000 deductible (per building) in Flood Zone A. The SRMO has determined that such a deductible creates an unacceptable risk, one that should be transferred via supplemental flood coverage.

Considering the variables involved in the procurement of multiple special policies, the SRMO is best situated to coordinate the gathering of engineering reports and making individual agency applications/payments. That activity, if delegated solely to individual agencies, would severely inhibit the process of identifying and insuring 166 separate buildings.

The only alternative approach to an appropriation is limited to self-insuring the increase in Flood Zone A exposures. Self-insuring the State's flood exposures carries too great a risk. For example, the 1997 Fort Collins flood generated insurance company payments in excess of $124 million. As such, the practical alternative is to seek an appropriation that includes $450,000 (Non-Higher Education Agencies) to deal with the issue at hand.

Selected Analytical Technique

The Multi-criteria analysis is the most appropriate tool to assess the available alternatives. This technique is the most effective way to evaluate the performance of alternatives against multiple decision criteria.

Assessment of Alternatives

Alternative #1 Analysis: *Take no action and subject the agencies to the risk of the $1,000,000 Flood Zone A deductible cost.* By taking no action to assist agencies with buildings (exceeding $50,000 in value) located in Flood Zone A, they would be subject to the full deductible amount of $1,000,000. This would place undue hardship on individual agencies, requiring them to use existing funds or to seek supplemental funds to pay for the $1,000,000 (per building) deductible amount(s).

Alternative #2 Analysis: *Have the SRMO pay for the additional flood coverage by accessing the current fund balance.* This option would substantially deplete the existing fund balance. The fund balance is established in order to address estimated costs needed for payment of various deductible costs. The current deductible exposures for fiscal year 2003-04 include:

$750,000 for the annual aggregate (stop loss) deductible for property losses.
$100,000 for the annual aggregate (stop loss) deductible for boiler/machinery losses.
Other deductible amounts (below) would apply on a per occurrence basis:
$ 50,000 deductible for Earthquake, per occurrence.
$100,000 deductible for non-flood zone A Floods, per occurrence.
$ 10,000 deductible for Builders Risk (new construction), per occurrence.
$ 5,000 deductible for the State Patrol communications van, per loss.
$ 25,000 deductible for the Georgetown railroad bridge, per loss.
Total $1,040,000

The current fund balance is approximately $1,600,000. Since the combined deductible exposure would equal $1,040,000 (considering exceeding both aggregates and only one deductible per each remaining peril), the ability of the SRMO to respond to extraordinary losses via the remaining fund balance would be severely hindered. This concern is further enhanced by the fact that flood, builders risk, and van deductibles do not count toward diminishing the annual aggregate (stop loss) property loss deductible.

Alternative #3 Analysis: *Identify those agencies that have buildings (exceeding $50,000 in value) in Flood Zone A and appropriate to those agencies an amount based on an allocation methodology established by the SRMO.* This alternative will require separate appropriations to each affected agency. Those amounts would then be billed by the SRMO to those agencies, utilizing a process similar to the normal SRMO program allocation methodology. Once the agency billings have been paid, the SRMO would forward payments and agency policy applications to the state broker for policy issuance. This alternative best reflects the most reasonable process for providing supplemental gap coverage to those agencies that have buildings in Flood Zone A.

The SRMO will assist the affected agencies in complying promptly with this time-sensitive situation. It will be necessary to coordinate underwriting efforts (submission of individual policy applications,) with the State's broker. This alternative involves utilization of a fair cost allocation methodology, in that only the agencies affected by Flood Zone A will be subject to the appropriation process. This centralized solution to policy procurement would reflect efficient administration, while maintaining the existing property fund balance.

Alternative #4 Analysis: ***(Recommended)*** This alternative combines aspects of both alternative #2 and #3. *Identify those agencies that have buildings (exceeding $50,000 in value) in Flood Zone A and appropriate to those agencies an amount based on an allocation methodology established by the SRMO, and offset only the General Fund portion of the cost by utilizing current fund balance. The estimated General Fund portion for Non-Higher Education agencies and Higher Education institutions is $70,288, and $25,000 respectively. The risk management property fund would also be used to cover an additional cost of $20,011 from federal penalties for a total fund balance reduction of $115,299. This would maintain the risk management property fund balance at an estimated $1,484,701. This recommendation would require affected departments to cover Flood Zone A related losses up to $50,000.* This alternative will require separate appropriations to each affected agency. Those amounts would then be billed by the SRMO to those agencies, utilizing a process similar to the normal SRMO program allocation methodology. Once the agency billings have been paid, the SRMO would forward payments and agency policy applications to the state broker for policy issuance. This alternative best reflects the most reasonable process for providing supplemental gap coverage to those agencies that have buildings in Flood Zone A while not completely depleting current fund balance used to address current deductible exposure.

The SRMO will assist the affected agencies in complying promptly with this time-sensitive situation. It will be necessary to coordinate underwriting efforts (submission of individual policy applications,) with the State's broker. This alternative involves utilization of a fair cost allocation methodology, in that only the agencies affected by Flood Zone A will be subject to the appropriation process. This centralized solution to policy procurement would reflect efficient administration, while maintaining the existing property fund balance.

Application of the Analytical Technique, Assumptions & Calculations

The normal property program allocation methodology is comprised of applying agency pro-rata shares (based on building & content values) to the total premium need. A special derivation of that methodology will be implemented to solve the ongoing problem for FY2003-04. Rather than values, the number of agency buildings (in the affected flood zone A areas) would be applied to the estimated average premium of $5,000 (an estimated increase of 10 percent over FY2002-03). Only building & content values exceeding $50,000 would be considered, resulting in 111 Flood Zone A exposures.

Final Recommendation

The increase in deductible amounts for Flood Zone A is significant. Insurance companies and the insurance market in general have created a gap in coverage, which represents an exposure to State property. It is recommended that Alternative number #4 be implemented. Alternative #4 addresses the need to secure State property against one or more Flood Zone A losses. Without such implementation, the State faces the potential for catastrophic exposure.

Flood Zone A Decision Item Statewide Estimated Fund Splits for FY 2003-04
Risk Management Office **FY2004**
Supplemental Flood Coverage **Average Cost/Bldg**
Flood Zone A Bldgs: $50,000+ Values **$5,000.00**

Department	Bldg Count	Decision Item Amount	GF[1]	CF	CFE	HUTF	FF	TOTAL (including GF)	TOTAL Request
Agriculture	0	-						-	$0
Corrections	3	15,000	15,000					15,000	$0
Personnel & Admin	3	15,000	15,000					15,000	$0
Transportation	47	235,000			235,000			235,000	$235,000
Human Services	0	-						-	$0
Labor & Employment	1	5,000	-	1,030	589		3,381	5,000	$5,000
Military Affairs	1	5,000	5,000					5,000	$0
Natural Resources	25	125,000	25,000		100,000			125,000	$100,000
Public Health	2	10,000		5,000	5,000			10,000	$10,000
Public Safety	5	25,000				25,000		25,000	$25,000
Revenue	3	15,000	10,288	1,128	2,275	1,309		15,000	4,712
Non-HE Subtotal	**90**	**$450,000**	$70,288	$7,158	$342,864	$26,309	$3,381	**$450,000**	$379,712
	$379,712	$1,898,560,000							

Higher Ed Division	Total	Decision Item Amount	GF	CF	CFE	HUTF	FF	TOTAL	
Arapahoe CC	1	5,000						$0	
Auraria	8	40,000						-	
CC Denver	1	5,000						-	
Colo State Univ	1	5,000						-	
Historical Society	5	25,000	25,000					25,000	
NorthWest CC	4	20,000						-	
Red Rocks CC	1	5,000						-	
HE Total	21	**$105,000**	$25,000	$0	$0	$0	$0	**$25,000**	$0
Statewide Totals	**111**	**$555,000**	**$95,288**	**$7,158**	**$342,864**	**$26,309**	**$3,381**	**$475,000**	$379,712
			21%						

Estimated Federal Payback: $20,010
Total Cost to Fund Balance $115,298

1. General Fund cost will be absorbed by fund balance

Efficiency and Effectiveness Analysis
Decision Item FY 2003-04

Department	Personnel & Administration Central Services, State Fleet Management
Priority Number:	3 of 4
Request Title:	FY 2003-04 CSP Vehicle Replacements

Summary of Request

To replace 148 Colorado State Patrol (CSP) vehicles within the State Fleet Management Program in order to ensure a cost effective infrastructure and provide safe and reliable vehicles for public safety. The estimated cost to replace these vehicles is $683,020; $0 General Fund, $9,439 cash funds, $18,880 cash funds exempt, $638,112 HUTF, and $16,589 federal funds.

Problem or Opportunity Definition

This request is submitted on an annual basis through the combined efforts of State Fleet Management and state agencies that participate in the Fleet Program. A list of vehicles with the most need for replacement was identified. However, do to severe revenue shortfalls this request addresses only CSP vehicle replacements. The list was generated using the previously accepted mileage criterion augmented with the methodology as described below:

Strategy: Replace the highest cost vehicles in each vehicle class.

Methodology:

Step 1. Initial Screen: The initial suspect list is developed by selecting vehicles from the Colorado Automotive Reporting System (CARS) system based on current State of Colorado replacement criteria.

- Vehicle must be projected to have > 100,000 miles in March, 2004 (Greater than 80,000 for CSP vehicles and greater than 40,000 for CSP motorcycles); AND
- Loan obligation must be paid off by July 1, 2004.

Rationale: The initial screen limits the replacement candidates to the criteria mandated by statute. This is the entry into the process and vehicles must meet these criteria to be considered for further processing as replacement candidates.

Step 2. Manual Adjustments: Decisions on vehicle replacement should not be made on the basis of the mileage criterion alone. The ideal process would involve a detailed mechanical evaluation by a qualified technician of each replacement candidate, and the decision would be based on the projected costs involved to maintain the vehicle over the next one to two years. This level of analysis is not practical for the State and is not feasible for all but the smallest fleets. However, State Fleet Management (SFM) can use additional information and resources that are readily available to further refine the candidate list to make sure the right vehicles are ultimately replaced.

- **Agency retention requests**

Rationale: No one knows the individual vehicles better than agency Vehicle Coordinators and the users of the vehicles. SFM uses agency input to eliminate vehicles that, in agency's opinion, are in good condition considering miles and age. SFM also uses agency input to keep vehicles on the list that are in poor condition, or are not meeting the functional requirements of the agency.

- **Vehicles with major FY02 repairs (New engine, transmission, etc.)**

Rationale: The most recent 12 months of repairs are analyzed to identify any individual repairs that required significant expenditures (typically in excess of $2,500 for an individual repair). If the State has recently invested this much money in replacing a major component of a vehicle, we should expect that the cost to operate the vehicle over the short term should be reduced, and we should not replace such vehicles until we have had the opportunity to benefit from the investment.

- **Vehicles in the low cost, low mile work functions**

Rationale: Vehicles in this category are typically maintenance and support vehicles used in campus type environments. They put on low miles (approximately 1,000 per year), are typically very old, and may have a high cost per mile even though the total annual operating cost is very low. Ideally, these vehicles should be replaced with used, but safe and operable vehicles from vehicle turn-ins as part of the natural rotation of the fleet. Vehicles that are no longer suitable for high usage functions can often be used in these maintenance type roles without incurring significant repairs, and it is often not economically justifiable to purchase brand new vehicles into these very low use assignments. Therefore only the very worst of these vehicles are included in the final submission for replacement.

- **Very high mileage vehicles (>150,000)**

Rationale: Vehicles in this range are at least 50 percent over the State mileage criterion. At this point it is reasonable to expect vehicles to deteriorate rapidly with costly major component breakdowns, and reliability and safety concerns rapidly increasing. It is not reasonable to expect most fleet vehicles to function effectively beyond this range.

Step 3. Rank Highest Priority to Lowest Priority:

(All State Patrol vehicles meeting the minimum criteria will be submitted for replacement.)

Rationale: All of the vehicles based on the initial screening criteria meet the basic requirements for replacement. These vehicles are all high mileage, and are also primarily high cost and older vehicles. All of these vehicles meet the basic criteria for an optimal replacement cycle. The challenge is to make sure that the worst of these vehicles are identified so that the worst of the worst can be replaced given any level of funding. By comparing these vehicles to the average vehicle of similar age and type we are able to identify the vehicles that display the greatest variance from the average. Those that have

much higher than average costs will rank out higher than those with lower than average costs. This way we can identify the worst vehicles (from a cost standpoint) and make sure these are identified with the highest priority.
State Patrol vehicles are not included in this ranking. State Patrol vehicles have utilization requirements, performance, safety, and reliability issues that require replacement on a 3 year 80,000 mile cycle.

Step 4. Further Considerations to Determine Final List: The fleet does not operate in a static environment. Changes in the budgetary environment, evolving agency needs, historical funding patterns for the fleet, regulatory changes, and the impact of recent internal fleet initiatives can, and should be taken into consideration in developing the final request for any given year.

- **State funding capabilities**

Rationale: In any given year, it is often not practical or feasible to replace all the vehicles necessary to maintain an optimal fleet, from a total cost of fleet perspective. When funds are scarce, it is important that the very worst of the worst are replaced so that the funds that are spent on the fleet can provide the greatest financial benefit to the State. Every effort has been made this year to submit a reasonable proposal in light of the current pressures and restrictions.

- **Impact of Fleet or Agency reduction initiatives**

Rationale: Initiatives undertaken by State Fleet and the individual agencies to reduce the total number of vehicles in the fleet can affect the replacement process in two ways. First, by reducing overall the size of the fleet, the percentage of optimal replacements to maintain the fleet each year produces a smaller number of candidates. Second, and most importantly, a large number of vehicles leaving the fleet inevitably include mostly the worst vehicles in the fleet. These are also the same vehicles that should been the highest priority for replacement, and since they no longer need to be replaced, the number of requested replacements in that year can be reduced. **In FY 2001-02, the work on identifying and retrieving the underutilized vehicles in the fleet produced an overall fleet reduction of 186 of the worst vehicles in the fleet.** Understanding the impact of this reduction has allowed us to further reduce the overall request.

- **Prior year funding and replacement levels**

Rationale: Under-funding of replacements in previous years can place additional pressure and justification for increased levels of replacements in the following years. State Fleet has been somewhat under funded (relative to the stated mileage criterion) for the past couple of years. With a mileage criterion of 100,000 miles and average annual miles per vehicle of 13,000, we should be replacing approximately 1/8 of the non-CSP fleet (618 vehicles) each year and 1/3 of the CSP fleet (180 vehicles). Therefore we need to replace about 800 vehicles each year to remain consistent with the stated criterion. For the past couple of years we have replaced approximately 600 each year, which puts pressure on increasing the number of replacements to catch up. Therefore we should be replacing greater than 900 vehicles in the short term to get the fleet back on track with stated guidelines. While, due to budgetary constraints, this is not the year for additional replacements, CSP vehicle needs do justify a reasonable replacement budget for FY 2003-04.

The funding of this request will allow State Fleet Management the opportunity to meet CSP customer requirements while maintaining a centralized fleet program in the most cost effective manner.

Available Alternatives

Alternative #1
Do not replace vehicles. Fund additional maintenance and repair dollars required to keep these non-replaced vehicles operating beyond their originally intended term.

Alternative #2
Replace all 984 vehicles identified on the "negotiated suspect" list.

Alternative #3 **(Preferred Alternative)**
Replace all 148 identified CSP vehicles.

Statutory and Other Authority

C.R.S. 24-30-1101 through 1118, see specifically 24-30-1104(2) and 24-30-1112 through 1117

Linkage to Objectives

This request is linked to two Objectives in the Strategic Plan:

1.2 Annually, ensure the integrity of the State's infrastructure by continuous assessment and maintenance of existing infrastructure and necessary planning for replacements and upgrades.

2.2. Annually, improve program processes by incorporating recognized "best practices" and standards in order to fulfill statutory responsibilities.

Linkage of Budgetary Expenditures to the Full Range of Outcomes

Fleet Management projects those vehicles that will have 100,000+ miles, and 80,000+ miles for State Patrol, in FY 2003-04. This action produces an "initial vehicle suspect" list. Fleet then confers with agencies on replacements taking into consideration factors such as internal rotations, cascading vehicles for additional use, and other extensions to a vehicle's life. This now becomes a "negotiated suspect" list that supports alternative 2 to replace all 984 vehicles.

As stated above, State Fleet Management has applied additional criteria that consider vehicle usage codes relative to low and high mileage usage. Additionally, the vehicles past 4 year's maintenance and repair cost per mile is then compared to the average cost per mile of maintenance and repair for that vehicle class with anticipated high mileage expense added. The difference in projected cost is used to prioritize replacements assuming that some vehicles are more critical to replace as they exceed the average cost per mile to maintain. Many other factors are then taken into account to assure that the worst vehicles in the fleet are the ones replaced. The attached list is now considered to be our "Optimal CSP Candidate" list, and is the end result of applying all the criteria previously discussed. This supports alternative 3.

Assessment of Alternatives

Alternative #1
By not replacing CSP vehicles, the Fleet Program will likely be faced with extremely high vehicle repairs in addition to safety concerns related to CSP. Many of these repairs will be for major vehicle components that add extra cost to a vehicle that is diminishing in value. Additionally, the repair will typically not see the benefit of its entire life since the vehicle will likely be replaced sometime in the near future (due to other factors such as higher miles, other "new" repairs, etc.).

Alternative #2
Alternative two takes into consideration state mileage criteria and agency input only. All vehicles expected to exceed 100,000+ miles and 80,000+ miles for CSP are included. After input from agencies is applied, the list required for replacement is 984 vehicles.

Alternative #3 **(Preferred Alternative)**
Replace 148 CSP vehicles. This listing is the result of systematically applying the 4 steps explained above. The result is a significantly reduced replacement requirement that focuses limited state resources on replacing only CSP vehicles in the existing fleet.

Conclusion

Using a disciplined process involving projected mileage, ranking based on past costs and anticipated future costs, utililization characteristics, individual manual adjustments, and considering the current state funding environment, Fleet is confident that this proposal accurately identifies a replacement list that best benefits the fiscal needs of the state and the fleet needs of the Colorado State Patrol.

Recommendation

This recommendation is for alternative three; fund the replacement of 148 CSP vehicles.

Colorado State Fleet Management

Colorado State Patrol Vehicle Replacements - FY2004

Agency	Division	Body Code	Body Code Description	Asset ID	License	Program	New Fixed Rate	New SFM Pymt	CSP Fund Splits on New Fixed Rate GF	CF	CFE	HUTF	FF	Total
CDPS	CSP	A8	SEDAN PURSUIT, PATROL	14881	100030		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	14902	100060		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	14930	100086		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	14946	100124		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	K5	PASS UTIL LARGE, 4X4, (5 PASS)	10414	100260		$ 969.16	$ 949.16	$ -	$ -	$ -	$ 969.16	$ -	$ 969.16
CDPS	CSP	K5	PASS UTIL LARGE, 4X4, (5 PASS)	10498	100268		$ 500.61	$ 480.61	$ -	$ -	$ -	$ 500.61	$ -	$ 500.61
CDPS	CSP	K5	PASS UTIL LARGE, 4X4, (5 PASS)	10526	100269		$ 969.16	$ 949.16	$ -	$ -	$ -	$ 969.16	$ -	$ 969.16
CDPS	CSP	K5	PASS UTIL LARGE, 4X4, (5 PASS)	10420	100270		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K5	PASS UTIL LARGE, 4X4, (5 PASS)	10517	100271		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	A7	SEDAN LARGE, PATROL	12722	100285	E-470	$ 786.63	$ 766.63	$ -	$ 786.63	$ -		$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12721	100286		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12729	100287		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12728	100288		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12727	100290		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12732	100299		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12730	100302		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12742	100319		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12744	100326		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12745	100328		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12746	100329		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	7280	100332	MCSAP	$ 786.63	$ 766.63	$ -	$ -	$ -		$ 786.63	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12748	100335		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12753	100341		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12752	100342	E-470	$ 786.63	$ 766.63	$ -	$ 786.63	$ -		$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12751	100343	GAMING	$ 786.63	$ 766.63	$ -	$ -	$ 786.63		$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12758	100351		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12759	100353		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12762	100358		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12774	100365		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12772	100371		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12769	100374		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12770	100378		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12766	100382		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12767	100383		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12778	100384		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12777	100385		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12779	100387		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12780	100389		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12782	100393		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12783	100394		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12784	100396	GAMING	$ 786.63	$ 766.63	$ -	$ -	$ 786.63		$ -	$ 786.63

CDPS	CSP	A7	SEDAN	LARGE, PATROL	12785	100397		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12786	100398	GAMING	$ 786.63	$ 766.63	$ -	$ -	$ 786.63		$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12787	100399		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12789	100401		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12792	100407		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12793	100408		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12796	100414		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12797	100415		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12799	100418		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12800	100419		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12802	100421		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12803	100426		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	13498	100428		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12804	100429		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	12805	100435		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11742	100455		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11746	100458		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12827	100460		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11751	100467		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11756	100469		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11752	100474		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11741	100475		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11750	100476		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12828	100477		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12832	100497		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11657	100504		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12835	100511		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12833	100518		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12839	100519		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12838	100520		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12836	100529		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12845	100535		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11674	100544		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12843	100546		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12842	100552		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12841	100553		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12840	100554		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A8	SEDAN	PURSUIT, PATROL	12846	100568	GAMING	$ 786.63	$ 766.63	$ -	$ -	$ 786.63	$ -	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11684	100571		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11692	100573		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11695	100577		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11687	100578		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11686	100584		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11688	100586		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11693	100588		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11700	100589		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11710	100590		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11708	100592		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN	LARGE, PATROL	11704	100596		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63

CDPS	CSP	A7	SEDAN LARGE, PATROL	11702	100598		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11711	100599		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11712	100600		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11713	100601		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11717	100609		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11722	100614		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11725	100617		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11730	100622		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	11731	100623		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	12708	100627		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	A7	SEDAN LARGE, PATROL	11735	100629		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	12710	100638		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	12713	100668		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	12714	100674		$ 969.16	$ 949.16	$ -	$ -	$ -	$ 969.16	$ -	$ 969.16
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	10472	100692		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	10766	100693		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	10765	100695		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	10470	100696		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	10471	100697		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	A7	SEDAN LARGE, PATROL	10130	100727		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A5	SEDAN FULLSIZE, PATROL	11762	100748		$ 664.95	$ 644.95	$ -	$ -	$ -	$ 664.95	$ -	$ 664.95
CDPS	CSP	C3	CARGO VAN 3/4 TON	12363	100757	MCSAP	$ 477.96	$ 457.96	$ -	$ -	-		$ 477.96	$ 477.96
CDPS	CSP	A7	SEDAN LARGE, PATROL	12812	100760		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12808	100772		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12820	100783		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10173	100792		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	8697	100846		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	8667	100848		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	12055	100862		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	8682	100899		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	9261	100914		$ 725.00	$ 705.00	$ -	$ -	$ -	$ 725.00	$ -	$ 725.00
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	9263	100916		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	9266	100919		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	9267	100920		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	K1	PASS UTIL SMALL, 4X4	9268	100921		$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP	A7	SEDAN LARGE, PATROL	10194	100929	MCSAP	$ 750.13	$ 730.13	$ -	$ -	$ -	$ -	$ 750.13	$ 750.13
CDPS	CSP	A7	SEDAN LARGE, PATROL	10188	100932	MCSAP	$ 750.13	$ 730.13	$ -	$ -	$ -	$ -	$ 750.13	$ 750.13
CDPS	CSP	A7	SEDAN LARGE, PATROL	10191	100938		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10733	100950		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10854	100955		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10855	100956		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10102	100957		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10092	100967		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10180	100985		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10098	100993		$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP	A7	SEDAN LARGE, PATROL	10090	100997		$ 750.13	$ 730.13	$ -	$ -	$ -	$ 750.13	$ -	$ 750.13
CDPS	CSP	M1	MOTORCYCLES	13506	109004		$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17
CDPS	CSP	M1	MOTORCYCLES	13509	109011		$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17
CDPS	CSP	M1	MOTORCYCLES	13511	109021		$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17

CDPS	CSP	M1	MOTORCYCLES	12197	109022	$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17
CDPS	CSP	M1	MOTORCYCLES	13513	109027	$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17
CDPS	CSP	M1	MOTORCYCLES	13515	109029	$ 537.17	$ 517.17	$ -	$ -	$ -	$ 537.17	$ -	$ 537.17
CDPS	CSP (non-3F patrol)	A7	SEDAN LARGE, PATROL	6979	100057	$ 750.13	$ 730.13	$ -	$ -	$ -	$ 750.13	$ -	$ 750.13
CDPS	CSP (non-3F patrol)	K2	PASS UTIL MEDIUM, 4X4 (5 PASS)	10450	100515	$ 583.64	$ 563.64	$ -	$ -	$ -	$ 583.64	$ -	$ 583.64
CDPS	CSP (non-3F patrol)	A7	SEDAN LARGE, PATROL	6010	100751	$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP (non-3F patrol)	A7	SEDAN LARGE, PATROL	6029	100763	$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
CDPS	CSP (non-3F patrol)	K1	PASS UTIL SMALL, 4X4	9265	100918	$ 752.73	$ 732.73	$ -	$ -	$ -	$ 752.73	$ -	$ 752.73
CDPS	CSP (non-3F patrol)	A7	SEDAN LARGE, PATROL	10182	100931	$ 786.63	$ 766.63	$ -	$ -	$ -	$ 786.63	$ -	$ 786.63
					MONTHLY	$ 113,836.58	$ 110,876.58	$ -	$ 1,573.26	$ 3,146.52	$ 106,351.95	$ 2,764.85	$ 113,836.58
148					**6 MONTHS**	$ 683,019.48	$ 665,259.48	$ -	$ 9,439.56	$ 18,879.12	$ 638,111.70	$ 16,589.10	$ 683,019.48
					ANNUAL	$ 1,366,038.96	$ 1,330,518.96	$ -	$ 18,879.12	$ 37,758.24	$ 1,276,223.40	$ 33,178.20	$ 1,366,038.96

Efficiency and Effectiveness Analysis
Decision Item FY2003-04

Department: Department of Personnel & Administration

Priority Number: 4 of 4

Long Bill Group/Division: Central Services

Program Title: Mail Services – Postage Rate Increase

Summary of Requested Alternative

The United States Postal Service (USPS) implemented a postage rate increase effective June 30, 2002. Mail Services is requesting a cash funds exempt increase to offset the impact of the postage increase in the amount of $321,225 for FY 2003-04.

Problem or Opportunity Definition

The USPS has increased postage rates effective June 30, 2002. The percentage of increase for 1st Class Mail is 8.2 percent. The percentage of increase for Standard Mail is 7.3 percent. The attached Assumptions and Calculations illustrate the total projected increase in postage.

Available Alternatives

Alternative 1 (Recommended)
Increase the spending authority to Mail Services for additional postage expense due to the postal rate increases so that Mail Services can continue to support the postal needs of state agencies. A request to increase agency appropriations has not been submitted; therefore, departments will absorb the increased cost. Mail Services will still require the cash funds exempt spending authority in order to avoid an over-expenditure.

Alternative 2 (Not Recommended)
Reduce the current volume of mail processed to stay within current spending authority. The Department is currently exploring the viability of amending multiple statewide statutes to provide state agencies with the option to mail statutorily required items electronically.

Assumptions and Calculations

To anticipate the impact on the state postage expense, the percentage of change was calculated as follows:

1. The postage expense through June 2002 was used to calculate the postage increase.
2. The actual percentages of increase implemented by the USPS were applied to the FY2001-02 postage expenses for the two mail classes (1st Class and Standard) that are utilized by Mail Services.
3. Ninety percent of Mail Services postage expense is for 1st class mail and 10 percent is for Standard Mail or Postal services with minimal volumes.
4. The amount of increase for each Postal class was calculated and then combined to obtain a total amount of increase.

Recommendation

The recommendation is to fund the projected increase in postage expense that will be needed by Mail Services so that statewide postal needs can continue to be met.

Percentage of Postage Usage by Department

Customer	% Total Postage	% Applied to Supplemental $321,225
Judicial	0.015	$4,890
Legislature	0.009	$2,769
Governor's Office	0.005	$1,679
Economic Development	0.004	$1,353
Lt Governor's Office	0.000	$150
Dept Personnel and Administration	0.044	$14,208
Personnel	0.003	$935
Agriculture	0.014	$4,440
Education	0.059	$18,921
Health	0.011	$3,459
Higher Education (with FRCC $5,068)	0.132	$42,260
note: below deducted from Higher Ed Total		
Private Occupational Schools	0.001	$194
Colorado Historical Society	0.009	$3,003
Commission on Higher Education	0.003	$888
Transportation	0.006	$2,018
Military Affairs	0.004	$1,366
Dept Labor and Employment	0.005	$1,533
Dept of Law	0.016	$5,202
Local Affairs	0.015	$4,972
Wildlife	0.006	$1,776
Natural Resources	0.051	$16,432
Regulatory Agencies	0.069	$22,261
Reg	0.022	$7,150
Energy Conservation	0.000	$127
Dept Revenue	0.000	$70
Treasury	0.004	$1,364
Secretary of State	0.011	$3,654
Dept Corrections	0.007	$2,391
Dept Public Safety	0.041	$13,123
Dept Human Services	0.104	$33,558
Dept Health Care Policy & Financing	0.105	$33,696
Non-COFRS agencies	0.222	$71,385
	1.000	**$321,225**

Assumptions and Calculations
for
Postage Decision Item Request

Postage total through June FY02	$3,960,852
Per P/L Report (Cost of Goods Sold) & Marketing Report (Permit 590 - Stat Cost)	
1st Class Mail Postage Increase	
1st Class increase = 8.2%	
1st Class mail = 90% of postage expense	
Total postage x .90 x .082	$292,311
Standard Mail Postage Increase	
Standard mail increase = 7.3%	
Standard mail = 10% of postage expense	
Total postage x .10 x .073	$28,914
Total Projected Postage Increase	**$321,225**
1st Class increase + Standard Mail increase	

(1) The USPS postage expense through June is based on the P/L Report and the Marketing Analysis Report

(2) The percentages of increase for 1st Class and Standard Mail were provided by the USPS

(3) More than 90% of Mail Services postage expense is for 1st Class Mail

(4) Approximately 10% of Mail Services postage expense is for Standard Mail or Postal services with minimal volumes and expense

(5) The percentages were applied to the postage expense for 1st Class and Standard mail and then totalled

(6) The Postal Service implemented the rate increase on June 30, 2002

(7) The rate increase would impact the postage expense for all of FY03 and FY04

UNITED STATES POSTAL SERVICE

POSTAL NEWS

Average Proposed Percentage Postage Increases*

All Classes of Mail	8.7%
First Class Mail	8.2%
Express Mail	9.7%
Priority Mail	13.5%
Periodicals	10.0%
Standard Mail	7.3%
Packages	8.9%

* There are over 4,000 rate cells and hundreds of discount possibilities. Details of this rate case filing will be available later this month.

September 11, 2001

STATE OF COLORADO
DIVISION OF CENTRAL SERVICES
MAIL SERVICES MARKETING ANALYSIS REPORT
FY 01/02 BY MONTH

TOTALS OF SERVICES PROVIDED TO ENTIRE STATE

TOTAL OF ALL SERVICES FOR SERVICE AREA - PERMIT #738 USE CHRG

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
PIECE	431,844	417,600	382,883	360,533	403,382	381,437	366,855	307,193	416,823	354,997	472,394	413,151	4,709,092
STAT COST	0	0	0	0	0	0	0	0	0	0	0	0	0
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	4,318	4,176	3,829	3,605	4,034	3,814	3,669	3,072	4,168	3,550	4,724	4,132	47,091
CR COST	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CHARG	4,318	4,176	3,829	3,605	4,034	3,814	3,669	3,072	4,168	3,550	4,724	4,132	47,091

TOTAL OF ALL SERVICES FOR SERVICE AREA - PERMIT #590 BUS REP

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
PIECES	4,552	3,295	3,380	3,214	3,123	2,939	4,873	1,372	4,031	7,196	3,248	3,830	45,053
STAT COST	1,945	1,210	1,374	1,449	1,230	1,538	2,445	557	1,285	3,110	1,376	1,405	18,924
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	91	66	68	64	62	59	97	27	81	144	65	77	901
CR COST	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CHARG	2,036	1,276	1,442	1,513	1,292	1,596	2,543	584	1,365	3,254	1,441	1,482	19,825

TOTAL OF ALL SERVICES FOR SERVICE AREA - FEDERAL EXPRESS

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
PIECE	536	722	513	562	618	444	595	373	362	551	342	353	5,971
STAT COST	4,325	6,034	4,021	4,665	5,355	3,139	5,915	3,986	5,744	5,993	4,051	3,231	56,460
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	670	903	641	703	773	555	744	466	453	689	428	441	7,464
CR COST	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CHARG	4,995	6,936	4,662	5,368	6,128	3,694	6,658	4,452	6,196	6,682	4,479	3,673	63,923

TOTAL OF ALL SERVICES FOR SERVICE AREA - DOLE PTI CREDIT

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
DOLE PIEC	0	0	0	0	0	0	0	0	0	0	0	0	0
STAT COST	0	0	0	0	0	0	0	0	0	0	0	0	0
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	0	0	0	0	0	0	0	0	0	0	0	0	0
CR PIECES	386,750	476,419	396,703	450,121	391,401	363,704	455,895	449,294	402,843	402,237	431,904	563,949	5,121,220
CR COST	1,061	1,501	1,250	1,418	1,233	1,146	1,436	1,415	1,269	1,267	1,360	1,776	16,132
NET CHARG	1,061	1,501	1,250	1,418	1,233	1,146	1,436	1,415	1,269	1,267	1,360	1,776	16,132

TOTAL OF ALL SERVICES FOR SERVICE AREA - CREDIT

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
CREDIT	0	0	0	0	0	0	0	0	517	0	0	0	517
STAT COST	0	0	0	0	79	0	0	0	36	0	0	0	115
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	0	0	0	0	0	0	0	0	0	0	0	0	0
CR PIECES	0	1,692	35	31	1,243	0	724	0	165	0	0	5,238	9,128
CR COST	597	611	3,070	226	928	0	51	4,720	110	0	4,819	1,709	16,841
NET CHARG	597	611	3,070	226	848	0	51	4,720	74	0	4,819	1,709	16,726

TOTAL OF ALL SERVICES FOR SERVICE AREA - SPECIAL CHARGES-OUT

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
	0	0	0	0	0	25,155	0	0	0	0	0	0	25,155
STAT COST	880	3,786	2,319	680	0	2,182	0	1,224	3,645	2,173	0	7,517	24,405
STAT POST	0	0	0	0	0	0	0	0	0	0	0	0	0
SUR CHARG	0	0	0	0	0	0	0	0	0	0	0	0	0
CR COST	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CHARG	880	3,786	2,319	680	0	2,182	0	1,224	3,645	2,173	0	7,517	24,405

Efficiency and Effectiveness Analysis
Decision Item FY 2003-04

Department: Department of Personnel and Administration
Central Services –State Fleet Management

Priority Number: 1 of 1

Request Title: Statewide Vehicle Lease Line Reconciliation's

Summary of Request

This is a statewide technical decision item request to adjust base appropriations in various departments' Vehicle Lease Payments line items. The aggregate adjustments represent a total statewide reduction of $1,034,939 (OSPB agencies) of which $374,228 is General Fund appropriation (see attachment A).

Problem or Opportunity Definition and Background Information

Vehicle Lease Payment line items are used to pay for existing vehicle leases and associated management fees. Prior to FY 2002-03, when vehicle leases expired, reductions in affected departments did not occur on a consistent basis. When funding for vehicle replacements was requested, the estimated appropriations that built up in these line items was used to offset the total monthly cost of the replacements. Estimating the incremental base amount needed for both State Fleet Management (SMF) and state agencies inherently created differences in actual dollars as vehicles changed and exact vehicle amounts become known. For the last three fiscal years, SFM has used this base dollar approach to fund new replacements.

In FY 2001-02, SFM in coordination with the OSPB and various state agencies developed the attached worksheet to reconcile the funding differences between appropriated dollars and actual lease payments. This reconciliation used the full amount of vehicle leases to be billed to agencies less appropriations no longer required due to expiring leases. This approach gives a more accurate and verifiable calculation of base vehicle funding requirements. Due to the implementation of this new methodology, vehicle replacement requests now identify total estimated replacement costs and not just the estimated incremental costs.

As a result of the analysis (see attached spreadsheet), it has been determined that SFM has excess cash funds exempt spending authority in the amount of $183,691 and general government agencies have excess appropriations of $1,034,939; $374,228 General Fund. This will result in a technical adjustment to the Vehicle Lease Payment line items for State Fleet Management and other state departments.

Management fees have been held constant for FY2003-04. These fees are highly dependent on net proceeds from sale of retiring vehicles. Therefore these fees could change dramatically should the actual number of vehicles replaced in FY2003-04 fluctuate significantly between FY2003 and FY2004.

Reductions in vehicle lease rates as a result of Certificate of Participations (COP) funding have not yet been reflected in the projected lease line requirements. It is anticipated that a complete analysis and resulting rate adjustments will be completed by August 31, 2002. The spreadsheet will be recalculated at that time to determine any further adjustment necessary to the lease lines.

This reconciliation is now conducted on an annual basis to determine whether appropriated funds will need to be adjusted in the Vehicle Lease line item.

Attachment A
FY 2004 Vehicle Lease Line Item Reconciliation

DEPT	Division	FY03 Agency Long Bill Appropriation	Projected Net FY03 Billing	8mo New Full Fixed Vehicle **	FY03 Adds Annualization (? mo.)	Total Annualization **	Leases Ending During FY04 **	Projected Net FY04 Billing	Variance FY04 Billing to FY03 Long Bill	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Highway User's Tax Fund	Medicaid Cash Funds	Medicaid General Funds	Total Funding Split
OSPB Agencies																	
CDPS	EDO	$ 44,086	$ 12,222	$ 5,700	$ -	$ 5,700	$ 1,821	$ 16,101	$ [illegible]								$ -
	Colorado State Patrol (see note)	$ 4,163,296	$ 3,544,208	$ 764,490	$ 5,181	$ 769,671	$ 383,836	$ 3,930,043	$ (233,253)								$ -
	CBI	$ 314,692	$ 269,143	$ 61,855	$ -	$ 61,855	$ -	$ 330,998	$ 16,306								$ -
	CDPS Total	$ 4,522,074	$ 3,825,573	$ 832,045	$ 5,181	$ 837,226	$ 385,657	$ 4,277,142	$ (236,946)	$ 12,529	$ (3,556)	$ (49,487)	$ (5,709)	$ (190,723)			$ (236,946)
DOAG	Agriculture	$ 256,489	$ 238,165	$ 58,836	$ -	$ 58,836	$ 6,818	$ 290,183	$ 27,285	$ 17,934	$ 8,901	$ -	$ 450	$ -			$ 27,285
DOC	Department of Corrections	$ 2,620,903	$ 2,295,521	$ 132,718	$ 29,141	$ 161,859	$ 80,807	$ 2,376,573	$ (214,330)	$ (208,024)	$ (2,845)	$ (3,461)	$ -	$ -			$ (214,330)
DOH	Depatment of Health	$ 274,447	$ 268,181	$ 16,506	$ -	$ 16,506	$ 10,542	$ 274,145	$ (302)	$ -	$ -	$ -	$ (302)	$ -			$ (302)
DOHS	Department of Human Services	$ 1,217,097	$ 1,120,967	$ -	$ -	$ -	$ 40,888	$ 1,080,079	$ (137,018)	$ (73,990)	$ -	$ (60,288)	$ (2,740)	$ -	$ (58,437)	$ (26,718)	$ (137,018)
DOLA	Local Affairs	$ 144,187	$ 135,082	$ 14,382	$ -	$ 14,382	$ 8,689	$ 140,775	$ (3,412)	$ (3,412)	$ -	$ -	$ -	$ -			$ (3,412)
DOLE	Boiler Inspection, etc.	$ 126,489	$ 122,511	$ 4,758	$ -	$ 4,758	$ 10,121	$ 117,148	$ (9,341)	$ -	$ (1,924)	$ (1,099)	$ (6,318)	$ -			$ (9,341)
DOMA	Military Affairs	$ 53,455	$ 26,724	$ -	$ -	$ -	$ -	$ 26,724	$ (26,731)	$ (23,656)	$ -	$ -	$ (3,075)	$ -			$ (26,731)
DONR	Natural Resources	$ 3,445,331	$ 2,929,471	$ 311,450	$ 52,587	$ 364,037	$ 187,292	$ 3,106,216	$ (339,115)	$ (105,955)	$ (15,246)	$ (210,469)	$ (7,445)	$ -			$ (339,115)
DOR	EDO	$ 442,039	$ 389,308	$ 50,202	$ -	$ 50,202	$ 15,760	$ 423,750	$ (18,289)	$ (9,274)	$ 5,031	$ (13,447)	$ -	$ (599)			$ (18,289)
	Lottery	$ 234,082	$ 141,664	$ 7,782	$ -	$ 7,782	$ 11,661	$ 137,785	$ (50,251)	$ -	$ -	$ (50,251)	$ -	$ -			$ (50,251)
DORA	Regulatory Agencies	$ 314,692	$ 251,308	$ 29,084	$ -	$ 29,084	$ 17,753	$ 262,639	$ (52,053)	$ -	$ (52,053)	$ -	$ -	$ -			$ (52,053)
GOV	Economic Development	$ 12,240	$ 14,874	$ 3,118	$ -	$ 3,118	$ -	$ 17,992	$ 5,752	$ 5,752	$ -	$ -	$ -	$ -			$ 5,752
DPA	Department of Personnel	$ 164,744	$ 153,696	$ 40,766	$ -	$ 40,766	$ 9,906	$ 184,556	$ 19,812	$ 13,868	$ -	$ 5,944	$ -	$ -			$ 19,812
	TOTAL OSPB AGENCIES	$ 13,828,269	$ 11,913,045	$ 1,501,647	$ 88,909	$ 1,588,556	$ 785,894	$ 12,715,707	$ (1,034,939)	$ (374,228)	$ (61,692)	$ (382,558)	$ (25,139)	$ (191,322)	$ (58,437)	$ (26,718)	$ (1,034,938)
Non-Ospb Agencies (For Informational Purposes Only)																	
DOT$	Aviation	$ 4,308	$ 5,867	$ 3,118	$ -	$ 3,118	$ -	$ 8,985	$ 4,677	$ -	$ -	$ 4,677	$ -	$ -			$ 4,677
DOR	Gaming	$ 158,526	$ 97,487	$ 6,868	$ -	$ 6,868	$ 5,563	$ 98,792	$ (59,734)	$ -	$ (59,734)	$ -	$ -	$ -			$ (59,734)
DOL	Attorney General	$ -	$ -	$ 4,488	$ 2,082	$ 6,570	$ 4,047	$ 2,523	$ 2,523	$ 2,523	$ -	$ -	$ -	$ -			$ 2,523
DOAG	State Fair	$ 56,920	$ 52,751		$ -	$ -	$ -	$ 52,751	$ (4,169)	$ -	$ (4,169)	$ -	$ -	$ -			$ (4,169)
DOS	Secretary of State	$ 1,900	$ 4,992	$ -	$ -	$ -	$ -	$ 4,992	$ 3,092	$ -	$ 3,092	$ -	$ -	$ -			$ 3,092
JUDICIAL	Public Defender	$ 67,756	$ 69,287	$ 6,287	$ -	$ 6,287	$ 450	$ 75,124	$ 7,368	$ 7,368	$ -	$ -	$ -	$ -			$ 7,368
	Courts	$ 80,058	$ 74,544			$ -		$ 74,544									$ -
	TOTAL NON-OSPB AGENCIES	$ 369,468	$ 304,928	$ 20,761	$ 2,082	$ 22,843	$ 10,060	$ 317,711	$ (46,243)	$ 9,891	$ (60,811)	$ 4,677	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ (46,243)
	Statewide Totals	$ 14,197,737	$ 12,217,974	$ 1,522,408	$ 88,991	$ 1,611,399	$ 795,954	$ 13,033,419	$ (1,081,181)	$ (364,337)	$ (122,503)	$ (377,881)	$ (25,139)	$ (191,322)	$ (58,437)	$ (26,718)	$ (1,081,181)

FY 2004 Vehicle Lease Line Item Reconciliation

FY04 Reconcile.xls

DEPT.	Division	FY03 Agency Long Bill Appropriation	Projected Net FY03 Billing	FY03 8mo SFM New Full Fixed Vehicle	FY03 Adds Annualization (7 mo.)	Total Annualization	Leases Ending During FY04	Projected Net FY04 Billing	Variance FY04 Billing - FY03 Long Bill	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Highway User's Tax Fund	Total Funding Split
Not 100% Long Bill Allocated															
DOT	Alamosa	$ -													
	Aurora	$ -													
	Aviation	$ -													
	CDOT Staff	$ -													
	Craig	$ -													
	Denver	$ -													
	Durango	$ -													
	Glenwood Springs	$ -													
	Grand Junction	$ -													
	Greeley	$ -													
	Pueblo	$ -													
	Tunnel Maintenance	$ -													
	Transportation Total	$ 2,428,472	$ 2,616,604	$ 319,648	$ -	$ 319,648	$ 125,826.00	$ 2,810,426	$ (381,954)	$ -	$ -		$ -	$ -	$ -
Not Long Bill Allocated															
DOE	Department of Education	$ 35,426	$ 27,364	$ 6,000	$ -	$ 6,000	$ -	$ 33,364	$ 2,062						
DOHE	Adams State		$ 41,932	$ 12,608	$ -	$ 12,608	$ 1,407	$ 53,133	$ (53,133)						
	Arapahoe CC		$ 6,697	$ -	$ -	$ -		$ 6,697	$ (6,697)						
	Auraria Campus		$ 93,504	$ 3,336	$ -	$ 3,336	$ 2,958	$ 93,882	$ (93,882)						
	Aurora CC		$ 4,668	$ -	$ -	$ -		$ 4,668	$ (4,668)						
	CCCOES		$ 4,455	$ -	$ -	$ -		$ 4,455	$ (4,455)						
	CO NW CC		$ 4,896	$ -	$ -	$ -		$ 4,896	$ (4,896)						
	CCD		$ 2,484	$ -	$ -	$ -	$ 2,056	$ 428	$ (428)						
	CCHE		$ 2,712		$ -			$ 2,712	$ (2,712)						
	CSU		$ 868,957	$ 88,696	$ -	$ 88,696	$ 35,378	$ 922,275	$ (922,275)						
	CU Boulder		$ 347,064	$ 43,392	$ -	$ 43,392		$ 390,456	$ (390,456)						
	CU Colo Springs		$ 41,726	$ 9,472	$ -	$ 9,472	$ 1,440	$ 49,758	$ (49,758)						
	CU Denver		$ 4,104	$ 3,136	$ -	$ 3,136		$ 7,240	$ (7,240)						
	CU Health Sciences Center		$ 129,061	$ 12,920	$ -	$ 12,920	$ 3,407	$ 138,574	$ (138,574)						
	Ft. Lewis		$ 52,082	$ 12,552	$ -	$ 12,552	$ 7,753	$ 56,881	$ (56,881)						
	Front Range CC		$ 1,560	$ -	$ -	$ -		$ 1,560	$ (1,560)						
	Heat Center Lowry		$ 408	$ -	$ -	$ -		$ 408	$ (408)						
	Historical Society		$ 6,486	$ -	$ -	$ -		$ 6,486	$ (6,486)						
	Lamar CC		$ 18,230	$ -	$ -	$ -		$ 18,230	$ (18,230)						
	Mesa State		$ 18,484	$ -	$ -	$ -	$ 1,027	$ 17,457	$ (17,457)						
	Metro State		$ 8,520	$ 13,032	$ -	$ 13,032		$ 21,552	$ (21,552)						
	Morgan CC		$ 27,605	$ 6,376	$ -	$ 6,376		$ 33,981	$ (33,981)						
	Northeastern JC		$ 58,110	$ 9,432	$ -	$ 9,432	$ 2,526	$ 65,016	$ (65,016)						
	Otero JC		$ 15,889	$ 2,248	$ -	$ 2,248		$ 18,137	$ (18,137)						
	Pikes Peak CC		$ 28,248	$ -	$ -	$ -	$ 1,081	$ 27,167	$ (27,167)						
	Pueblo CC		$ 10,452	$ -	$ -	$ -		$ 10,452	$ (10,452)						
	Red Rocks CC		$ 11,967	$ 3,336	$ -	$ 3,336		$ 15,303	$ (15,303)						
	School of Mines		$ 69,527	$ -	$ -	$ -		$ 69,527	$ (69,527)						
	Student Loan		$ 3,024	$ -	$ -	$ -		$ 3,024	$ (3,024)						
	Trinidad JC		$ 28,771	$ 11,200	$ -	$ 11,200		$ 39,971	$ (39,971)						
	UNC		$ 117,081	$ 33,064	$ -	$ 33,064	$ 3,553	$ 146,592	$ (146,592)						
	USC		$ 75,630	$ 15,842	$ -	$ 15,842	$ 3,329	$ 88,143	$ (88,143)						
	Western State	$ -	$ 36,244	$ 12,176	$ -	$ 12,176	$ 1,892	$ 46,528	$ (46,528)						
DOHE	Higher Education Total	$ 2,532,781	$ 2,140,577	$ 292,818	$ -	$ 292,818	$ 67,807	$ 2,365,588	$ 167,193						
GRAND TOTAL		$ 19,194,416	$ 17,002,510	$ 2,140,874	$ 88,991	$ 2,229,865	$ 989,587	$ 18,242,796	$ 916,105						

Less Management Fee:	$ 1,225,000	Reflects Management Fee reduction of 15% for FY 03
SFM's Expected Payments to Vendor:	$ 17,454,565	
SFM's FY03 Spending Authority:	17,638,256	
SFM's Excess Spending Authority:	$ 183,691	

Assumptions: Higher Education is not appropriated a specific line for Vehicle Lease Payments
Education is not appropriated dollars for Vehicle Lease Payments

FY 2004 Vehicle Lease Line Item Reconciliat

FY04 Reconcile.xls

DEPT	Division	FY03 Agency Long Bill Appropriation	Project Net FY03 Billi	FY03 8mo SFM New Full Fixed Vehicle	FY03 Adds Annualization (7 mo.)	Total Annualization	Leases Ending During FY04	Projected Net FY04 Billing	Variance Y04 Billing FY03 Long Bill	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Highway User's Tax Fund	Total unding Split

100% of CDOT's Appropriation not available for this report
Dollars for Additional Vehicles Not Approved or Known to SFM are Not Included
Leases ending during FY04 (col. H) are multiplied by # of months not needed.
Motorpool lease payments are not allocated in the long bill under Dept of Personnel. Their lease dollars have been added to SFM's Expected Payments to Vendor (178820).
Adds: CDPS (1), DOC (14), DOL (1), DONR (19) = 35 Total
CSP note: 45 vehicles shown as 4 mo. replacement is actually 15 @ 9 mo, 15 @ 8 mo, 15 @ 7 mo. for staggered delivery.
Vasriance for DOC excludes $30K that was allocated in the long bill for non-SFM vehicle lease
1.5% ($257,949) has bee added to SFM's Expected Payments to Vendor for any unforeseen adjustments to payments