

**Department
of
Personnel & Administration**



DPA

**FY 2004-05 Supplementals
&**

FY 2005-06 Budget Amendments

January 3, 2005

COLORADO DEPARTMENT OF PERSONNEL AND ADMINISTRATION
SCHEDULE 9 - Summary of FY 2004-05 Supplemental Requests
January 3, 2005

| Priority | Title | Tab # | Total Funds | FTE | General Fund | Cash Funds | Cash Funds Exempt | Federal Funds |
|--|--|-------|-----------------------|------------|------------------|--------------------|---------------------|---------------|
| DPA Supplemental Requests | | | | | | | | |
| #1 | Increase for Operating Expenses of the State Fleet Management Program | 1 | \$3,273,073 | | | | 3,273,073 | |
| #2 | GAAP Related Fund Split Adjustments | 2 | \$0 | | | (428,759) | 428,759 | |
| #3 | Request for IDF Spending Authority Related to CBMS | 3 | \$1,409,797 | | | | 1,409,797 | |
| #4 | Refinancing Related to Indirect Costs/Procurement Card Rebates | 4 | \$0 | | (142,176) | | 142,176 | |
| DPA Supplemental Request Totals | | | \$4,682,870 | 0.0 | (142,176) | (428,759) | 5,253,805 | 0 |
| Statewide Supplemental Requests | | | | | | | | |
| #1 | Capitol Complex & Communications Services Utilities Increases | 5 | \$420,250 | | | | 420,250 | |
| | Capitol Complex & Comm. Svcs. Utilities Increases (DPA Allocation) | | \$38,989 | | 17,506 | 234 | 21,249 | |
| #2 | Risk Management Revisions | 6 | (\$12,921,955) | | (155,990) | (965,247) | (11,800,718) | |
| | Risk Management Revisions (DPA Allocation) | | (\$401,993) | | (137,731) | (3,904) | (260,358) | |
| #3 | MNT Telecomm Truth-in-Rates | 7 | \$241,065 | | | | 241,065 | |
| | MNT Telecomm Truth-in-Rates (DPA Allocation) | | (\$463,236) | | | | (463,236) | |
| #4 | GGCC Mid-Year Supplemental True Up | 8 | \$0 | | | | | |
| | GGCC Mid-Year Supplemental True Up (DPA Allocation) | | (\$120,118) | | (113,271) | | (6,847) | |
| #5 | ALJ Mid-Year Supplemental True Up | 9 | \$0 | | | | | |
| | ALJ Mid-Year Supplemental True Up (DPA Allocation) | | \$1,781 | | 1,781 | | | |
| #6 | Communications Services Mid-Year Supplemental True Up | 10 | \$41,395 | | | | 41,395 | |
| | Communications Services Mid-Year Supplemental True Up (DPA Allocation) | | \$154 | | | | 154 | |
| #7 | Vehicle Lease Line Reconciliation | 11 | (\$3,063,453) | | | | (3,063,453) | |
| | Vehicle Lease Line Reconciliation (DPA Allocation) | | (\$1,081) | | | | (1,081) | |
| Statewide Supplemental Request Totals | | | (\$16,228,202) | 0.0 | (387,705) | (968,917) | (14,871,580) | 0 |
| Grand Total Supplemental Requests | | | (\$11,545,332) | 0.0 | (529,881) | (1,397,676) | (9,617,775) | 0 |

COLORADO DEPARTMENT OF PERSONNEL AND ADMINISTRATION
SCHEDULE 8 - Summary of FY 2005-06 Budget Amendment Requests
January 3, 2005

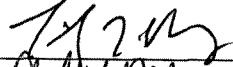
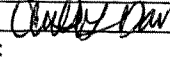
| Priority | Title | Tab # | Total Funds | FTE | General Fund | Cash Funds | Cash Funds Exempt | Federal Funds |
|--|--|-------|--------------------|------------|-----------------|-----------------|-------------------|---------------|
| DPA Budget Amendments | | | | | | | | |
| #1 | Request for IDF Spending Authority Related to CBMS | 3 | \$1,950,628 | | | | 1,950,628 | |
| DPA Budget Amendment Totals | | | \$1,950,628 | 0.0 | 0 | 0 | 1,950,628 | 0 |
| Statewide Budget Amendment Requests | | | | | | | | |
| #1 | Capitol Complex Utilities Increases | 5 | \$831,058 | | | | 831,058 | |
| | Capitol Complex Utilities Increases (DPA Allocation) | | \$0 | | (37,379) | 2,940 | 34,439 | |
| #2 | Risk Management Revisions | 6 | (\$768,314) | | | (62,843) | (705,471) | |
| | Risk Management Revisions (DPA Allocation) | | \$54,024 | | 14,739 | 331 | 38,954 | |
| #3 | MNT Telecomm Truth-in-Rates | 7 | (\$28,752) | | | | (28,752) | |
| | MNT Telecomm Truth-in-Rates (DPA Allocation) | | (\$248,461) | | | | (248,461) | |
| Statewide Budget Amendment Request Totals | | | (\$160,446) | 0.0 | (22,640) | (59,573) | (78,233) | 0 |
| Grand Total Budget Amendments | | | \$1,790,182 | 0.0 | (22,640) | (59,573) | 1,872,395 | 0 |

DPA Requests

Document ID: 123456789

**Schedule 6
SUPPLEMENTAL REQUEST for FY 2004-05**

Department: Personnel and Administration
 Priority Number: DPA Supplemental #1
 Division: Division of Central Services
 Program: State Fleet Management

Dept. Approval: 
 OSPB Approval: 
 Statutory Citation:
 Budget Analyst: Cindy Baoushi

Date: January 3, 2005
 Date: 12/28/04

Request Title: Increase for Operating Expenses of the State Fleet Management Program

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$13,447,568 | \$12,305,933 | \$3,273,073 | \$15,579,006 | \$12,305,933 | \$2,912,176 | \$15,218,109 | \$0 | \$15,218,109 | \$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 | 13,447,568 | 12,305,933 | 3,273,073 | 15,579,006 | 12,305,933 | 2,912,176 | 15,218,109 | 0 | 15,218,109 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division of Central Services, Fleet Mgmt Pgm & Motor Pool Svcs, Operating Expenses | Total | \$13,447,568 | \$12,305,933 | \$3,273,073 | \$15,579,006 | \$12,305,933 | \$2,912,176 | \$15,218,109 | \$0 | \$15,218,109 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | 13,447,568 | 12,305,933 | 3,273,073 | 15,579,006 | 12,305,933 | 2,912,176 | 15,218,109 | | 15,218,109 | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Fund 607

IT Request: No

Supplemental and Budget Amendment Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): No

Efficiency and Effectiveness Analysis FY 2004-05 Supplemental Request

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Central Services

Program: State Fleet Management Program & Motor Pool Services

Request Title: Increase for Operating Expenses of the State Fleet Management Program

Priority Number: DPA Supplemental #1

Summary of Request

The Department of Personnel & Administration, Division of Central Services, Fleet Management Program and Motor Pool Services requests a supplemental increase in spending authority of \$3,273,073 cash funds exempt to the Operating Expenses line item in FY 2004-05 to cover estimated increases in fuel and maintenance costs for fleet vehicles and miscellaneous business operating costs. This analysis assumes that neither institutions of higher education nor the Colorado Commission on Higher Education elects to "opt out" of the State Fleet Management Program as permitted under HB 04-1009 during the current fiscal year.

The source of the additional spending authority requested is reserves in the Motor Fleet Management Fund (Fund 607), as the rates previously established for FY 2004-05 should be sufficient to absorb the majority of the requested increase.

Problem or Opportunity Definition

The base appropriation for Operating Expenses in the State Fleet Management Program has not been increased since FY 2001-02, even while fuel prices have continued to rise, and the average annual maintenance cost per mile has increased by over 6% per year. In an attempt to manage to the continuation level appropriation miles driven decreased by 2.4% in FY 2002-03. In FY 2003-04, the Joint Budget Committee (JBC) provided an informal mandate that directed agencies that participate in the program to reduce miles driven by 5%. Actual miles driven in FY 2003-04 decreased by approximately 1.5% statewide, and if the Departments of Public Safety and Transportation were excluded, the 5% reduction would nearly have been met. (Note that the critical nature of service provided to the public by the two outlier agencies noted above make it extremely difficult for them to reduce miles driven.) Further, a decrease in the overall size of the fleet by nearly 150 vehicles occurred in FY 2003-04 at the direction of the General Assembly and the JBC.

Even with the combined impact of the cost controls identified above, significant increases in fuel prices and maintenance costs have outpaced the State's efforts to stay within budget. Further it

is unlikely that additional decreases in mileage driven can be attained, given the level of reductions experienced to date, and the nature of programs in some departments (for example Public Safety, Natural Resources and Transportation) that require substantial vehicle usage. Due to budget constraints, vehicle replacements have also been limited in recent years, resulting in higher maintenance costs, though the value added of these repairs is diminished by the increasing average age of the vehicles. Even though funding was approved for vehicle replacements in FY 2004-05, the impact of the replacements related to potential reductions in maintenance expenses will not be realized during the current fiscal year as only an average of two months of benefit associated with replacement vehicles are realized in the fiscal year in which they are replaced (with the annualized benefit realized in the out year).

Emergency Supplemental appropriations have been approved to cover increased fuel, maintenance and other business operation costs over that period, specifically, \$220,000 in FY 2002-03, and \$954,591 in FY 2003-04. Even with the supplemental increase in spending authority in FY 2003-04, an appropriation transfer of \$187,045 was still necessary at year-end to avoid over expenditure.

The prior year supplemental increases referenced above only increased the Program's spending authority. Increased appropriations to departments were not necessary at those times since the balance in the State Fleet Operating Fund (Fund #607) was sufficient to cover the difference. This may no longer be the case.

The chart below details cost components for the past several fiscal years and this year's estimates.

| | FY 00-01 actual | FY 01-02 actual | FY 02-03 actual | FY 03-04 actual | FY 04-05 estimate |
|----------------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Miles Driven | 74,747,177 | 76,011,456 | 74,223,176 | 73,117,480 | 72,155,601 |
| Fuel Price Per Gallon | \$1.23 | \$1.04 | \$1.17 | \$1.32 | \$1.62 |
| Total Fuel Costs | \$4,581,759 | \$4,830,145 | \$5,463,378 | \$5,986,589 | \$7,305,755 |
| Maintenance Costs Per Mile | \$.0695 | \$.0755 | \$.0830 | \$0.0890 | \$0.1049 |
| Maintenance Expenditures | \$5,193,000 | \$5,737,000 | \$5,929,000 | \$6,505,673 | \$7,570,752 |
| Accident Expenses | \$700,653 | \$842,710 | \$730,000 | \$733,321 | \$480,500 |
| Number of Fleet Vehicles | 5,894 | 5,793 | 5,753 | 5,607 | 5,578 |

Assumptions and Calculations

Actuals through FY 03-04 for maintenance costs, fuel costs, gallons used, accident costs and miles driven are all based on reporting from CARS and COFRS.

- o Fleet miles driven are based on actual miles driven through October 2004, annualized, incorporating historical trends. (See calculations in Attachment A.) This methodology projects that miles driven in FY 2004-05 will be 1.3% lower

than in FY 2003-2004. Miles per gallon in FY 2004-05 are held constant at final FY 2003-04 levels.

- Actual data through October shows that fuel prices for the State fleet have declined from a peak of \$1.69 per gallon in June 2004 to an average of \$1.65 per gallon in October 2004. This fall, oil supplies were disturbed by situations in the Middle East, Russia, Nigeria and hurricanes affecting the United States. Supply constraints have been accentuated by increased worldwide demand for petroleum, particularly in China. As of November 15th the average retail price of gasoline in Colorado was \$1.968, however, the State Fleet Management Program does not pay excise taxes (totaling about 30 cents per gallon). Therefore, the corresponding estimated average fuel price for the State Fleet Management Program was approximately \$1.668 at that time. In order to estimate a plausible average fuel price for the fiscal year, the estimate presented in this request assumes strong demand worldwide with only moderate fluctuations in price for the rest of the fiscal year, with slight increases and decreases in price per gallon as applicable based on seasonal trends. The resulting FY 2004-2005 average price per gallon for the State Fleet Management Program is \$1.62. (Refer to Attachment B.) Due to the volatility of fuel prices, and considering that the Department submitted a FY 2005-06 Decision Item to request an increase to the base appropriation for State Fleet Management Operating Expenses (DPA Decision Item #1, submitted November 1, 2004), an FY 05-06 budget amendment for this component is not submitted at this time.
- The FY 2004-05 forecast of total maintenance expenses is based on the Department's maintenance model. The Department will update this model as Figure Setting approaches. For informational purposes only, year-to-date actual maintenance expenditures annualized, based on historical trends, are included in Attachment C.
- The FY 2004-05 projection of accident expenses is based on actual data through October, annualized using historical patterns. (See Attachment D.)
- The FY 2004-05 estimate of auction fees assumes the sale of 500 vehicles (300 premium @ \$250 each and 200 inferior @ \$120 each).
- This analysis assumes that neither institutions of higher education nor the Colorado Commission on Higher Education elects to "opt out" of the State Fleet Management Program in FY 2004-05 as permitted under HB 04-1009. While the Department is aware that some institutions are considering this option, none have officially informed the Department of their intent to discontinue participation in the State Fleet Management Program. (State rules require notification of withdrawal from the program at least six months in advance.)

Available Alternatives

Alternative A – Provide \$3,273,073 in additional cash funds exempt spending authority for FY 2004-05 primarily related to increases in fuel costs and maintenance expenses.

The following table displays the components of this request with comparisons to the FY 2005-06 Decision Item Request (DPA Decision Item #1, for an increase in the base operating expenses

for the State Fleet Management Program from FY 2005-06 forward), and the FY 2004-05 preliminary estimate outlined in the FY 2005-06 Request.

| | FY 04-05 Preliminary Estimate (see FY 05-06 Decision Item) | FY 04-05 Supplemental Request | FY 05-06 Request (Replicated Here for Informational Purposes Only) |
|------------------------------|---|-------------------------------------|---|
| Fuel Expenses | \$6,855,624 | \$7,305,755 | \$6,855,624 |
| Maintenance Expenses | \$7,570,752 | \$7,570,752 | \$7,342,485 |
| Accident Expenses | \$755,000 | \$480,500 | \$778,000 |
| Business Operations | \$124,000 | \$124,000 | \$124,000 |
| Auction Fees | \$98,000 | \$98,000 | \$118,000 |
| Total Costs | \$15,403,376 | \$15,579,006 | \$15,218,109 |
| Continuation Budget | \$12,305,933 | \$12,305,933 | \$12,305,933 |
| Change Request Amount | \$3,097,443 | \$3,273,073 | \$2,912,176 |

Please see Attachment E for calculations.

As reflected previously, while the rates established for FY 2004-05 should suffice to cover the majority of the revenues required to support the requested increase in spending authority, additional appropriations to departments may be necessary.

Alternative B – Do not provide additional spending authority requested for FY 2004-05 that is related primarily to increases in fuel costs and maintenance expenses. – Status Quo.

Without the requested increase in spending authority, State Fleet Management will be unable to make payments to vendors for fuel purchased and maintenance expenses incurred. In addition, it must be noted that many critical measures have already been adopted in attempts to mitigate cost increases over the past several fiscal years, including mileage reductions, cost controls, and reductions in total fleet size, leaving limited room left to achieve further efficiencies.

Recommendation

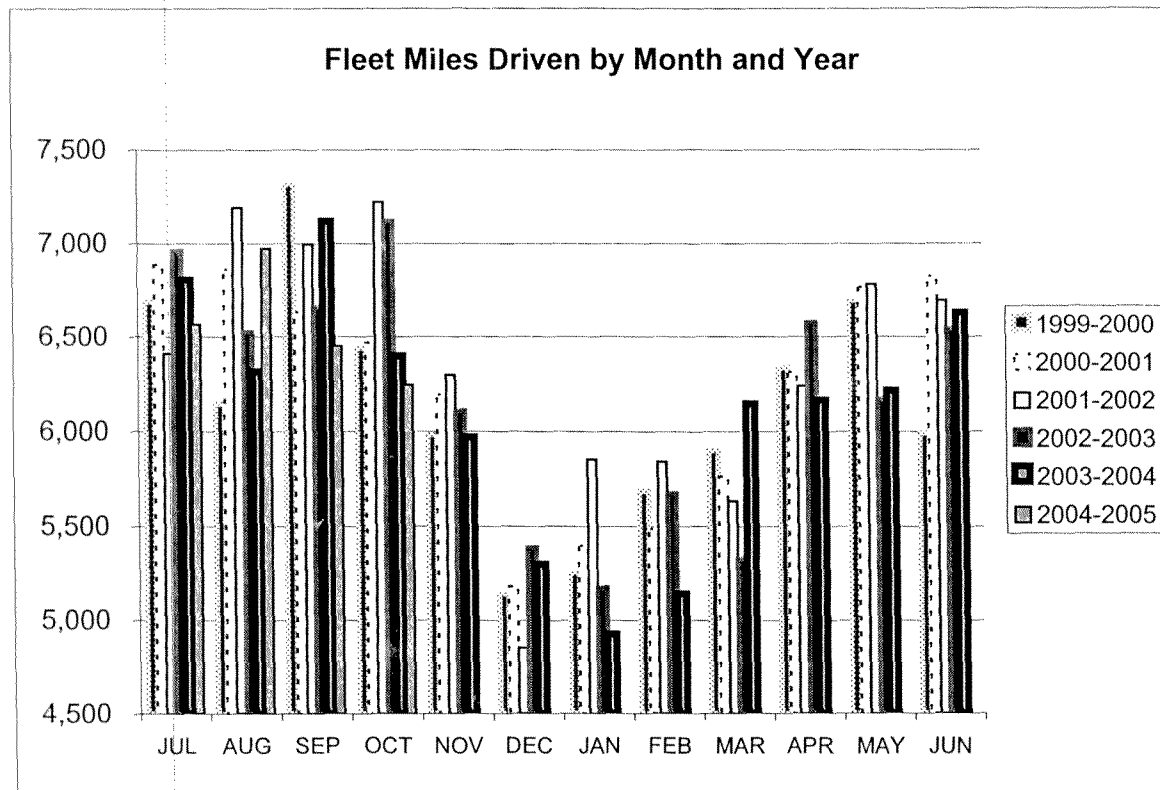
The Department of Personnel & Administration recommends Alternative A, an additional appropriation of \$3,273,073 cash funds exempt spending authority to cover the costs of increased operating costs for the State Fleet Management Program. Without the increased appropriations and spending authority, State Fleet Management will be unable to make necessary payments to vendors in the current fiscal year.

Attachment A

State Fleet Miles Driven by Month and Year With Final Estimate for FY 2004-2005

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | x1000 | |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|
| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YEAR TOTAL | change |
| 1999-2000 | 6,688 | 6,145 | 7,317 | 6,439 | 5,983 | 5,140 | 5,252 | 5,685 | 5,900 | 6,334 | 6,696 | 5,991 | 73,570 | |
| 2000-2001 | 6,886 | 6,858 | 6,631 | 6,464 | 6,192 | 5,178 | 5,396 | 5,484 | 5,761 | 6,310 | 6,765 | 6,822 | 74,747 | 1.6% |
| 2001-2002 | 6,410 | 7,188 | 6,997 | 7,220 | 6,297 | 4,853 | 5,853 | 5,841 | 5,634 | 6,240 | 6,782 | 6,696 | 76,011 | 1.7% |
| 2002-2003 | 6,961 | 6,524 | 6,659 | 7,117 | 6,108 | 5,388 | 5,173 | 5,673 | 5,330 | 6,576 | 6,172 | 6,541 | 74,222 | -2.4% |
| 2003-2004 | 6,805 | 6,315 | 7,118 | 6,398 | 5,968 | 5,300 | 4,925 | 5,140 | 6,144 | 6,164 | 6,214 | 6,628 | 73,119 | -1.5% |
| 2004-2005 | 6,566 | 6,974 | 6,450 | 6,246 | | | | | | | | | 72,156 | -1.3% |
| Average* | 6,750 | 6,606 | 6,944 | 6,728 | 6,110 | 5,172 | 5,320 | 5,565 | 5,754 | 6,325 | 6,526 | 6,536 | | |
| 2000-2004 | 9.1% | 8.9% | 9.3% | 9.1% | 8.2% | 7.0% | 7.2% | 7.5% | 7.7% | 8.5% | 8.8% | 8.8% | | |
| cum% | 9.1% | 18.0% | 27.3% | 36.4% | 44.6% | 51.5% | 58.7% | 66.2% | 73.9% | 82.4% | 91.2% | 100.0% | | |
| ytd cum | 6,566 | 13,540 | 19,990 | 26,236 | 26,236 | 26,236 | 26,236 | 26,236 | 26,236 | 26,236 | 26,236 | 26,236 | | |
| est eoy | 72,308 | 75,358 | 73,197 | 72,156 | | | | | | | | | | |

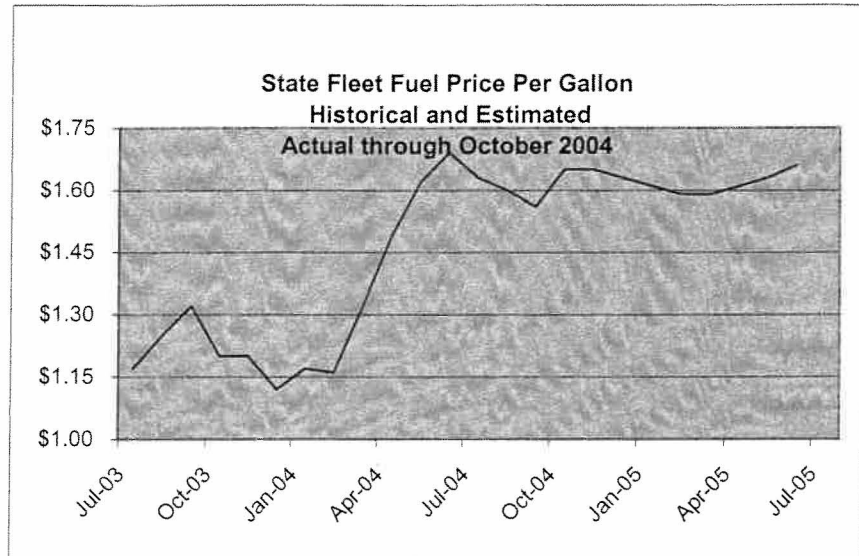
Fleet Miles Driven by Month and Year



ATTACHMENT B

| Month | State Fleet Program Fuel Price Per Gallon |
|--------|--|
| Jul-03 | \$1.17 |
| Aug-03 | \$1.25 |
| Sep-03 | \$1.32 |
| Oct-03 | \$1.20 |
| Nov-03 | \$1.20 |
| Dec-03 | \$1.12 |
| Jan-04 | \$1.17 |
| Feb-04 | \$1.16 |
| Mar-04 | \$1.32 |
| Apr-04 | \$1.49 |
| May-04 | \$1.62 |
| Jun-04 | \$1.69 |
| Jul-04 | \$1.63 |
| Aug-04 | \$1.60 |
| Sep-04 | \$1.56 |
| Oct-04 | \$1.65 |
| Nov-04 | \$1.65 |
| Dec-04 | \$1.63 |
| Jan-05 | \$1.61 |
| Feb-05 | \$1.59 |
| Mar-05 | \$1.59 |
| Apr-05 | \$1.61 |
| May-05 | \$1.63 |
| Jun-05 | \$1.66 |
| Jul-05 | |

| | |
|----------|--------|
| Proj. FY | |
| 04-05 | |
| Avg. | \$1.62 |



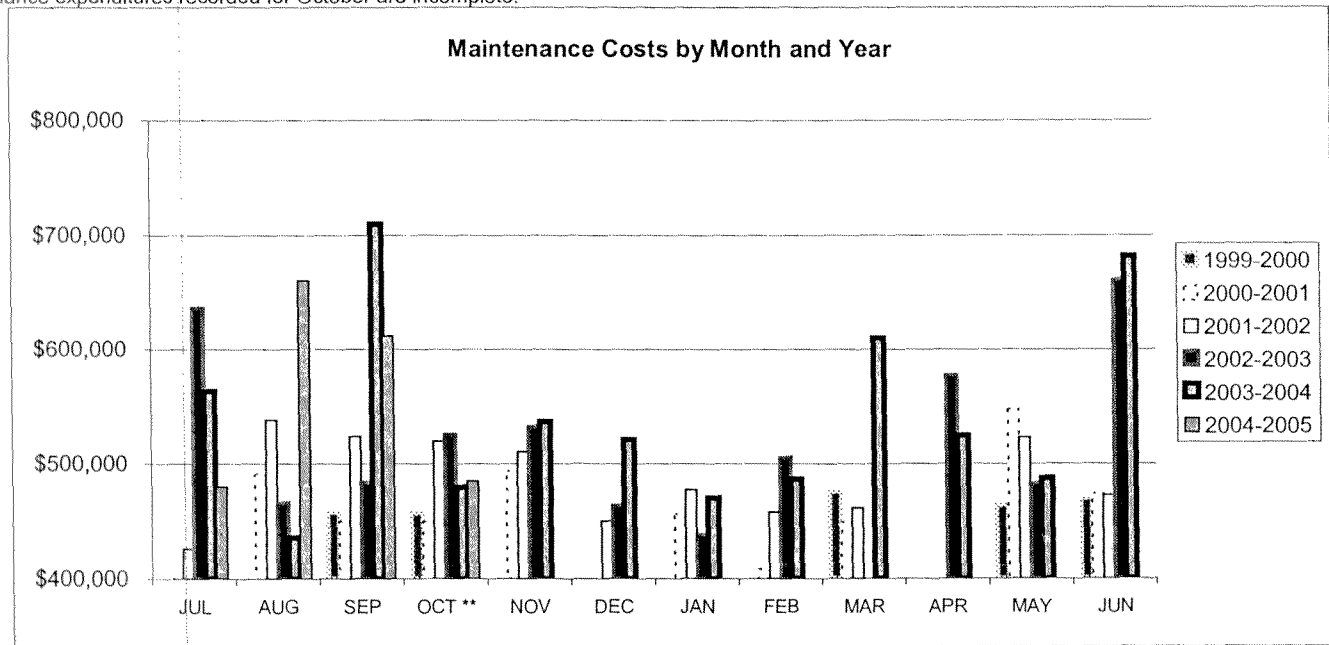
Attachment C

Maintenance Costs by Month and Year for INFORMATIONAL PURPOSES ONLY

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--------|
| | JUL | AUG | SEP | OCT ** | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | YEAR TOTAL | change |
| 1999-2000 | 343,233 | 399,667 | 457,428 | 456,684 | 389,522 | 378,135 | 363,537 | 340,585 | 475,477 | 346,414 | 463,543 | 469,035 | 4,883,260 | |
| 2000-2001 | 287,456 | 490,673 | 449,593 | 449,645 | 493,221 | 332,529 | 456,090 | 407,872 | 448,822 | 386,520 | 547,247 | 473,374 | 5,223,042 | 7.0% |
| 2001-2002 | 425,691 | 538,105 | 523,819 | 519,457 | 510,381 | 450,257 | 477,241 | 457,882 | 461,366 | 377,291 | 522,903 | 472,394 | 5,736,787 | 9.8% |
| 2002-2003 | 636,036 | 465,848 | 483,653 | 525,577 | 532,188 | 463,404 | 437,910 | 505,374 | 387,421 | 577,364 | 482,603 | 660,760 | 6,158,138 | 7.3% |
| 2003-2004 | 563,415 | 435,691 | 709,799 | 479,264 | 536,542 | 520,941 | 470,211 | 486,524 | 609,916 | 524,509 | 487,146 | 681,715 | 6,505,673 | 5.6% |
| 2004-2005 | 480,009 | 660,288 | 611,680 | 484,722 | | | | | | | | | 7,570,752 | 16.4% |
| Average* | 451,166 | 465,997 | 524,858 | 486,125 | 492,371 | 429,053 | 440,998 | 439,647 | 476,600 | 442,420 | 500,688 | 551,456 | | |
| 2000-2004 | 7.9% | 8.2% | 9.2% | 8.5% | 8.6% | 7.5% | 7.7% | 7.7% | 8.4% | 7.8% | 8.8% | 9.7% | | |
| cum% | 7.9% | 16.1% | 25.3% | 33.8% | 42.5% | 50.0% | 57.7% | 65.4% | 73.8% | 81.5% | 90.3% | 100.0% | | |
| ytd cum | 480,009 | 1,140,297 | 1,751,977 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | 2,236,699 | | |
| est eoy | 6,065,866 | 7,088,453 | 6,926,864 | 6,613,745 | | | | | | | | | | |

* Average is for FY 1999-2000 through FY 2003-2004

** Due to network server problems, maintenance expenditures recorded for October are incomplete.



ATTACHMENT E

Annual Comparisons and Assuptions for Operating Expenses FY 04-05 Supplemental Request FY05 Suppl. FY06

| | FY04 | difference | %Diff | Request | difference | %Diff | Decision Item | difference | %Diff |
|---------------------------|---------------------|-------------|-------|---------------------|--------------|--------|---------------------|--------------|-------|
| Miles Driven | 73,117,480 | (1,105,520) | -1.5% | 72,155,601 | (961,879) | -1.3% | 73,117,480 | 961,879 | 1.3% |
| Miles per Gallon | 16.00 | | | 16.00 | | | 16.00 | | |
| Gallons | 4,570,416 | (115,584) | -2.5% | 4,509,725 | (60,691) | -1.3% | 4,570,416 | 60,691 | 1.3% |
| Price per Gallon | \$ 1.316 | \$ 0.15 | 12.4% | \$1.62 | \$ 0.30 | 23.1% | \$ 1.50 | \$ (0.12) | -7.4% |
| Fuel Expense | \$ 5,986,589 | \$ 522,589 | 9.6% | \$ 7,305,755 | \$ 1,319,166 | 22.0% | \$ 6,855,624 | \$ (450,131) | -6.2% |
| Maintenance Cost per Mile | \$0.0890 | \$0.0091 | 11.4% | \$0.1049 | \$ 0.016 | 17.9% | \$0.1004 | \$ (0.005) | -4.3% |
| Maintenance Expense | \$ 6,505,673 | \$ 349,673 | 5.7% | \$ 7,570,752 | \$ 1,065,079 | 16.4% | \$ 7,342,485 | \$ (228,267) | -3.0% |
| Accident Cost Per Mile | \$0.0100 | | | \$0.0067 | | | \$0.0106 | | |
| Accident Expense | \$ 733,321 | \$ 3,321 | 0.5% | \$ 480,500 | \$ (252,821) | -34.5% | \$ 778,000 | \$ 297,500 | 61.9% |
| SFM Business Operations | \$ 126,910 | \$ 2,910 | 2.3% | \$ 124,000 | \$ (2,910) | -2.3% | \$ 124,000 | \$ - | 0.0% |
| Auction Fees | \$ 95,076 | \$ 43,076 | 82.8% | \$ 98,000 | \$ 2,924 | 3.1% | \$ 118,000 | \$ 20,000 | 20.4% |
| Total Operating Expense | \$ 13,447,569 | \$ 921,569 | 7.4% | \$ 15,579,006 | \$ 2,131,437 | 15.8% | \$ 15,218,109 | \$ (360,897) | -2.3% |
| Spending Authority | \$ 12,305,933 | \$ - | 0.0% | \$ 12,305,933 | \$ - | 0.0% | \$ 12,305,933 | \$ - | 0.0% |
| Required Increase | \$ 1,141,636 | | | \$ 3,273,073 | | | \$ 2,912,176 | | |
| Approved Increase | \$ 954,591 | | | | | | | | |
| | \$ 187,045 | | | | | | | | |

Transfer approved by the State Controller.

FY04 Bus. Ops. Includes a one time charge for fuel line repairs at downtown motor pool. FY05 and FY06 reflect normal years.

Schedule 6
SUPPLEMENTAL REQUEST for FY 2004-05

Department: Personnel and Administration
Priority Number: DPA Supplemental # 2
Division: Division of Human Resources
Program: Employee Benefits Services
Request Title: GAAP Related Fund Split Adjustments

Dept. Approval: *[Signature]*
OSPB Approval: *[Signature]*
Statutory Citation: 24-52-102 (5) (a), 24-50-613 (2), C.R.S.

Date: January 3, 2005
Date: 12/28/04

Budget Analyst: Mickey Crist

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total - Employee Benefits Services | Total | \$944,313 | \$1,048,193 | \$0 | \$1,048,193 | \$1,070,799 | \$0 | \$1,070,799 | \$0 | \$1,070,799 | \$0 |
| | FTE | 0.0 | 11.0 | 0.0 | 11.0 | 12.0 | 0.0 | 12.0 | 0.0 | 12.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 375,786 | 428,759 | (428,759) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 568,527 | 619,434 | 428,759 | 1,048,193 | 1,070,799 | 0 | 1,070,799 | 0 | 1,070,799 | 0 |
| DHR, Employee Benefits Services, Personal Services | Total | \$713,760 | \$807,635 | \$0 | \$807,635 | \$922,848 | \$0 | \$922,848 | \$0 | \$922,848 | \$0 |
| | FTE | | 11.0 | | 11.0 | 12.0 | | 12.0 | | 12.0 | |
| | GF | | | | | | | | | | |
| | CF | 171,837 | 215,982 | (215,982) | | | | | | | |
| | CFE | 541,924 | 591,653 | 215,982 | 807,635 | 922,848 | | 922,848 | | 922,848 | |
| DHR Employee Benefits Services, Operating Expenses | Total | \$45,576 | \$51,355 | \$0 | \$51,355 | \$52,225 | \$0 | \$52,225 | \$0 | \$52,225 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 18,972 | 23,574 | (23,574) | | | | | | | |
| | CFE | 26,604 | 27,781 | 23,574 | 51,355 | 52,225 | | 52,225 | | 52,225 | |
| Deferred Compensation Plans | Total | \$181,740 | \$182,977 | \$0 | \$182,977 | \$84,500 | \$0 | \$84,500 | \$0 | \$84,500 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 181,740 | 182,977 | (182,977) | | | | | | | |
| | CFE | | | 182,977 | 182,977 | 84,500 | | 84,500 | | 84,500 | |
| Defined Contribution Plans | Total | \$3,237 | \$6,226 | \$0 | \$6,226 | \$11,226 | \$0 | \$11,226 | \$0 | \$11,226 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 3,237 | 6,226 | (6,226) | | | | | | | |
| | CFE | | | 6,226 | 6,226 | 11,226 | | 11,226 | | 11,226 | |
| FF | | | | | | | | | | | |

Letter Notations: a & c

Cash Fund Name/Number: Deferred Compensation Administration Fund (720); Defined Contribution Plan Administration Fund (890)

IT Request: No

Supplemental and Budget Amendment Criteria: Technical Correction

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): No

Efficiency and Effectiveness Analysis Supplemental Budget Request FY 2004-05

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Human Resources

Program: Employee Benefit Services

Request Title: GAAP Related Fund Split Adjustment

Request Criteria: Technical

Priority Number: DPA Supplemental #2

Summary of Request

This technical Supplemental Request is to change the funding source of certain line items within the Division of Human Resources (DHR), Employee Benefits Services from cash funds to cash funds exempt to comply with Generally Accepted Accounting Principles (GAAP). The net impact of the request is a reduction of \$428,759 cash funds, with a corresponding increase in cash funds exempt of the same amount.

Problem or Opportunity Definition

Historically, a portion of the funding source of the Personal Services, Operating Expenses, Deferred Compensation Plans, and Defined Contribution Plans line items in DHR Employee Benefits Services is appropriated as cash funds. These "cash funds", however, are appropriated from the Deferred Compensation Administration Fund and Defined Contribution Plan Administration Fund, which are designated as pension trust funds under Generally Accepted Accounting Principles. Article X, Section 20 of the Colorado Constitution (i.e., TABOR) specifically exempts pension earnings and contributions in determining fiscal year spending limits/constraints under TABOR. Therefore, the funding source of all line items reflected on the attached Schedule 6 should be designated as cash funds exempt.

The Department's FY 2005-06 Executive Budget Request reflected this change from cash funds to cash funds exempt for impacted line items, and this request seeks similar FY 2004-05 Supplemental adjustments.

Statutory and Other Authority:

24-52-102 (5) (a); 24-50-613 (2), C.R.S.

Conclusion/Recommendation:

The Department recommends approval of this technical Supplemental Request. In accordance with Generally Accepted Accounting Principles, all cash funds identified in this request should be designated as cash funds exempt in current and future fiscal years.

Schedule 6
SUPPLEMENTAL REQUEST for FY 2004-05 and BUDGET AMENDMENT REQUEST for FY 2005-06

Department: Personnel and Administration
 Priority Number: DPA Supplemental # 3, DPA Budget Amendment # 1
 Division: Division of Central Services
 Program: Integrated Document Factory
 Request Title: Request for IDF Spending Authority Related to CBMS

Dept. Approval: *[Signature]*
 OSPB Approval: *[Signature]*
 Statutory Citation:
 Budget Analyst: Cindy Baouchi

Date: January 3, 2005
 Date: 12/28/04

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$7,015,937 | \$7,981,863 | \$1,409,797 | \$9,391,660 | \$8,004,170 | \$0 | \$7,698,714 | \$1,950,628 | \$9,649,342 | \$0 |
| | FTE | 28.1 | 32.0 | 0.0 | 32.0 | 32.0 | 0.0 | 32.0 | 0.0 | 32.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 677,997 | 1,002,971 | 0 | 1,002,971 | 1,002,971 | 0 | 697,515 | 0 | 697,515 | 0 |
| | CFE | 6,337,940 | 6,978,892 | 1,409,797 | 8,388,689 | 7,001,199 | 0 | 7,001,199 | 1,950,628 | 8,951,827 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division of Central Services, Integrated Document Factory, Reprographics, Operating Expenses | Total | \$1,971,779 | \$2,080,722 | \$242,909 | \$2,323,631 | \$2,080,722 | \$0 | \$2,080,722 | \$337,332 | \$2,418,054 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | 305,456 | | 305,456 | 305,456 | | | | | |
| | CFE | 1,971,779 | 1,775,266 | 242,909 | 2,018,175 | 1,775,266 | | 1,775,266 | 337,332 | 2,112,598 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Integrated Document Factory, Mail Services, Personal Services | Total | \$1,062,039 | \$1,079,394 | \$50,656 | \$1,130,050 | \$1,101,701 | \$0 | \$1,101,701 | \$60,396 | \$1,162,097 | \$0 |
| | FTE | 28.1 | 32.0 | | 32.0 | 32.0 | | 32.0 | | 32.0 | |
| | GF | | | | | | | | | | |
| | CF | 677,997 | | | | | | | | | |
| | CFE | 384,042 | 1,079,394 | 50,656 | 1,130,050 | 1,101,701 | | 1,101,701 | 60,396 | 1,162,097 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Integrated Document Factory, Mail Services, Operating Expenses | Total | \$3,982,119 | \$4,821,747 | \$1,116,232 | \$5,937,979 | \$4,821,747 | \$0 | \$4,821,747 | \$1,552,900 | \$6,374,647 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | 697,515 | | 697,515 | 697,515 | | 697,515 | | 697,515 | |
| | CFE | 3,982,119 | 4,124,232 | 1,116,232 | 5,240,464 | 4,124,232 | | 4,124,232 | 1,552,900 | 5,677,132 | |
| | FF | | | | | | | | | | |

Letter Notations:
 Cash Fund Name/Number:
 IT Request: No
 Supplemental and Budget Amendment Criteria: New Data
 Request for New or Replacement Vehicles: No
 Request Affects Another Department(s): No

Efficiency and Effectiveness Analysis
FY 2004-05 Supplemental Request and FY 2005-06 Budget Amendment

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Central Services

Program: Integrated Document Factory

Request Title: Request for IDF Spending Authority Related to the Colorado Benefits Management System

Priority Number: DPA Supplemental #3, DPA Budget Amendment #1

Summary of Request

This request seeks \$1,409,797 in additional cash funds exempt spending authority in the Department of Personnel and Administration, Division of Central Services, Integrated Document Factory (IDF) in FY 2004-05 to complete the full scope of mailing and printing workload related to CBMS. (The requested spending authority should be applied to the IDF Mail Services Personal Services and Operating Expenses line items, and the IDF Reprographics Operating Expenses line item as reflected on the attached Schedule 6, and below in the Assumptions and Calculations).

The request includes a Budget Amendment that continues the same scope of work for FY 2005-06, and seeks an additional \$1,950,628 in cash funds exempt spending authority. (Again, the requested spending authority should be applied to the IDF Mail Services Personal Services and Operating Expenses line items, and the IDF Reprographics Operating Expenses line item as reflected on the attached Schedule 6, and below in the Assumptions and Calculations).

Problem or Opportunity Definition

The Integrated Document Factory (IDF) expects to mail over two million letters and flats for the Colorado Benefits (CBMS) Program this year and next, based upon consultation with the Department of Human Services. At the time of initial discussions with the CBMS Program, prior to the release of CBMS, it was believed that these mailings would be a consolidation of other mailings that IDF previously had completed for other programs administered by the Department of Human Services. However, actual volumes of CBMS mailings for September and October significantly exceeded pre-CBMS volumes and prior year actual volumes, such that expenditures for postage and associated sorting and delivery services will be far greater than that which has been appropriated. In addition, temporary staff have been hired to assist with these extra mailings, boosting the personal services spending authority requirements.

With regard to process, correspondence with ten or fewer inserts can be mailed in a standard letter-sized envelope; those requiring eleven or more must go in flats. Machines automatically insert documents in letters. Correspondence requiring eleven or more inserts must be assembled by hand. Volumes of CBMS mailings requiring eleven or more inserts have been higher than expected. To meet this volume, IDF has hired five temporary staff. Increased spending authority is requested to cover these services. At this time, it is unknown if the Department of Human Services CBMS line will require a corresponding supplemental appropriation to cover these costs.

In addition, the Department's Division of Information Technologies (DoIT) has subcontracted with IDF for certain types of CBMS printing projects for which IDF is well-equipped. Again, IDF had not anticipated this work. Hence, additional spending authority is requested to cover billings to DoIT.

Again, at this time, it is unknown if the Department of Human Services CBMS line item will also require an increased appropriation to cover these costs, therefore, this request is simply for the DPA cash funds exempt spending authority necessary to complete the projected scope of CBMS related work. Ultimately, rates for a given fiscal year for IDF Mail Services and IDF Reprographics, and DPA's corresponding spending authority appropriations, are based on a known scope of work. It is anticipated that customer agencies with significant increases in volume in a given year would submit change requests to identify any new scope of work and associated additional appropriations, with DPA requesting additional spending authority as applicable. As a result, the Department of Human Services will complete its own request for any additional appropriations that department might require related to this issue in FY 2004-05 and FY 2005-06.

Because of the limited data available to analyze the need identified in this request, the Department has developed simple assumptions and calculations based primarily upon volumes through November. Initially, the benefits system experienced significant problems. As these issues were resolved, production increased. Hence, October's volumes were higher than September's; November's higher than October's. For projections purposes, in general, estimated expenditures for FY 04-05 are assumed to be actual expenditures through November plus estimated expenditures for the rest of the year. November's expenditures are assumed to be representative of future monthly expenditures through the remainder of the year. November volumes are multiplied by 12 to estimate the annual costs for FY 05-06.

Assumptions and Calculations

Refer to Attachment A for detailed calculations.

Mailing Postage, Pre-sorting and Delivery Assumptions

Total CBMS Postage Charges for FY 04-05

| | |
|---------------------------|-------------|
| Total Metered Postage | \$1,196,262 |
| Total Permit #738 Postage | \$13,975 |
| Total Postage | \$1,210,237 |

Total CBMS Postage Charges for FY 05-06

| | |
|------------------------------------|-------------|
| Total Metered Postage for November | \$131,264 |
| Expected Total Permit #738 Postage | \$0 |
| Annualized Total Postage | \$1,575,168 |

- Prior to the advent of CBMS, IDF provided mailing services for the Food Assistance Program. In FY 2003-04 IDF billed \$302,435 for these services. This amount has been *subtracted* from total estimated CBMS billings for mailing services such that this supplemental requests only the *net new* charges for mailing associated with CBMS.

Net New CBMS Postage Charges

(Spending Authority requested in IDF Mail Services Operating Expenses line item)

| | FY 04-05 Projection | FY 05-06 Projection |
|-----------------------------|---------------------|---------------------|
| Total CBMS Charges | \$1,210,237 | \$1,575,168 |
| Less Former DHS Charges | \$302,435 | \$302,435 |
| Net New CBMS Charges | \$907,802 | \$1,272,733 |

- No known U.S. Postal Service rate increases are anticipated or factored into this request.
- DPA requires additional spending authority to cover these net new charges. It is unknown if the Department of Human Services requires a corresponding increase in their CBMS appropriation.

Mail Services and Special Delivery Charges

- Again, refer to Attachment A for detailed service charges, such as inserting, barcoding, sorting by zip code, and postage application mail services charges for CBMS.
- IDF provides special pick-up and mail stop services for CBMS printed materials, including services on Saturdays. These are also found in Attachment A.
- In FY 03-04, mail service charges to DHS for work now included in the CBMS project totaled \$23,913. The following table breaks this down by component.

Offset for Service Charges

| | |
|------------------------------|-----------------|
| Sorting by Zip Code | \$10,191 |
| Delivery to Post Office | \$10,436 |
| Self-Mailers | \$3,286 |
| Total Service Charges | \$23,913 |

- Total service charges for the month of November 2004 were \$25,340. Multiplying this amount by 12 results in the estimated cost for FY 05-06. ($\$25,340 \times 12 = \$304,080$.)

Net New CBMS Mail Services Charges

(Spending Authority requested in IDF Mail Services Operating Expenses line item)

| | FY 04-05 Projection | FY 05-06 Projection |
|-----------------------------|---------------------|---------------------|
| Total CBMS Charges | \$232,343 | \$304,080 |
| Less Former DHS Charges | \$23,913 | \$23,913 |
| Net New CBMS Charges | \$208,430 | \$280,167 |

Source: IDF "Aristo" report for November 2004.

Personal Services Assumptions for Temporary Staff

- As noted in Attachment A, expenditures for temporary personal services for inserting correspondence into flats dropped significantly in November, despite the fact that volumes increased. IDF attributes this to modifications in the production process and the use of more experienced staff; both of these resulted in increased efficiencies which are expected to continue.
- The FY 05-06 estimate assumes that November 2004 expenditures of \$5,033 will continue. Thus, \$5,033 x 12 months = FY 05-06 annual costs of \$60,396.

Temporary Personal Services for CBMS

(Spending Authority requested in IDF Mail Services Personal Services line item)

| | FY 04-05 Projection | FY 05-06 Projection |
|--------------------|---------------------|---------------------|
| Total Expenditures | \$50,656 | \$60,396 |

Printing Assumptions for CBMS Work for DoIT

- See Attachment A for details.
- CBMS has been operational for only three months in FY 2004-05—September through November. Printing charges for November 2004 are assumed to be representative of printing charges for the remaining months of FY 2004-05 and FY 2005-06. Thus, FY 05-06 charges are calculated by annualizing November 2004 charges. ($\$28,111 \times 12 = \$337,332$.)
- Presently, IDF charges DoIT Computer Services \$0.018 per impression. Since rates for FY 05-06 have not yet been established, this rate is assumed to hold through FY 05-06.
- IDF has not printed any CBMS related materials in the past. Hence, unlike the calculations for the mailing charges, there is no offset to these printing charges.

Total DoIT Printing Charges for CBMS Projects

(Spending Authority requested in IDF Reprographics Operating Expenses line item)

| | FY 04-05 Projection | FY 05-06 Projection |
|------------------|---------------------|---------------------|
| Printing Charges | \$242,909 | \$337,332 |

- At this time, increased spending authority is requested for IDF only. The cost allocation methodology used by DoIT for the Purchase of Services from the Computer Center

(GGCC) allows for an annual supplemental “true-up” to realign appropriations to agencies based on prior year utilization. As a result, any printing work billed to DHS by the DoIT Computer Center this fiscal year that is in excess of prior years volumes will be addressed by both the FY 2005-06 GGCC supplemental true-up and the initial FY 2006-07 Common Policy (both of which will be based on FY 2004-05 final utilization).

Available Alternatives

Alternative A – *Providing the additional spending authority as requested in the following table allows IDF to continue to provide mailing and reprographic services for the CBMS Program in a timely manner.*

| Integrated Document Factory | FY 04-05 Long Bill Appropriation | FY 04-05 Supplemental Request (incremental amount) | FY 05-06 Budget Amendment Request (incremental amount) |
|---|---|---|---|
| IDF Mail Services Personal Services | \$1,079,394 | \$50,656 | \$60,396 |
| IDF Mail Services Operating Expenses | \$4,821,747 | \$1,116,232 | \$1,552,900 |
| IDF Reprographics Services Operating Expenses | \$2,080,722 | \$242,909 | \$337,332 |

Alternative B – *Do not grant the additional spending authority requested for FY 2004-05 and FY 2005-06 Status Quo*

This alternative would continue with current appropriated spending authority, and would not grant additional spending authority to facilitate completion of CBMS related work in FY 2004-05 and FY 2005-06. Under this alternative, a substantial portion of mailings and printing work associated with CBMS would be unable to be completed during each applicable fiscal year.

Concerns or Uncertainties

As a result of issues related to the well-publicized delays in CBMS implementation, along with other uncertainties currently associated with CBMS, the estimates contained in this request are preliminary, and are subject to change.

Additional Items of Consideration

With regard to workload associated with mailings, as previously referenced, correspondence with ten or fewer inserts can be mailed in a standard letter-sized envelope; those requiring eleven or more must go in flats. Machines automatically insert documents in letters; however, correspondence requiring eleven or more inserts must be assembled by hand. In order to meet

the higher than anticipated volume for hand assembly work on the flats, IDF has hired five temporary staff, and the cost estimates for this additional resource are included in the request.

A potential efficiency in this function may exist in future fiscal years, as the Department is currently considering the feasibility of leasing an automatic mail inserter for flats. Current estimates are approximately \$100,000 over the course of a seven-year lease. (Leasing, rather than purchasing equipment of this nature allows the Department to take advantage of newer technologies as they become available.) If the Department's cost-benefit analysis concludes that the volume of work at IDF would justify such a lease, it would likely result in a reduction in the need for temporary services in out years, but the potential need for up to 3.0 skilled FTE to operate the machine. Again, the number of FTE needed would depend upon estimated workload. Note that the potential costs of the lease and any associated FTE would become part of IDF's base budget, as the automatic inserter would be used for many programs, not just CBMS related workload.

Conclusion/Recommendation

The Department recommends Alternative A, which would provide the additional spending authority necessary for the Integrated Document Factory to complete the scope of mailing and printing work associated with CBMS that is currently projected for FY 2004-05 and FY 2005-06. Due to the high priority and high profile nature of CBMS as a statewide issue, the only reasonable alternative is to provide DPA with the necessary spending authority to facilitate completion of the referenced workload in the applicable fiscal years.

Attachment A

FY 04-05 Supplemental Estimated IDF Spending for CBMS

| | September (actual) | October (actual) | November (actual) | December | January | February | March | April | May | June | FY 04-05 Total | Offset for Former DHS Charges | Net New CBMS Charges |
|-------------------------------------|-----------------------|---------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--|----------------------------|
| Total Metered Postage | \$46,098 | \$100,052 | \$131,264 | \$131,264 | \$131,264 | \$131,264 | \$131,264 | \$131,264 | \$131,264 | \$131,264 | \$1,196,262 | (\$302,435) | \$893,827 |
| Total Letters | 90,332 | 131,226 | 149,221 | | | | | | | | | | |
| 1 ounce | 72,408 | 79,421 | 67,340 | | | | | | | | | | |
| 2 ounce | 17,732 | 51,403 | 68,516 | | | | | | | | | | |
| 3 ounce | 0 | 402 | 13,365 | | | | | | | | | | |
| Total Flats | 13,829 | 47,910 | 60,100 | | | | | | | | | | |
| Permit 738 Postage | | | | | | | | | | | | | |
| Pieces | 30,739 | 0 | 13,860 | | | | | | | | | | |
| Postage Charges | \$9,097 | \$0 | \$4,879 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,975 | \$0 | \$13,975 |
| Service Charges Letters | \$4,572 | \$7,281 | \$8,883 | \$8,883 | \$8,883 | \$8,883 | \$8,883 | \$8,883 | \$8,883 | \$8,883 | \$82,915 | | \$82,915 |
| 1 oz letter | \$3,331 | \$3,653 | \$3,098 | | | | | | | | | | |
| 2 oz letter | \$1,241 | \$3,598 | \$4,796 | | | | | | | | | | |
| 3 oz letter | \$0 | \$30 | \$989 | | | | | | | | | | |
| Service Charges Flats | \$3,582 | \$12,409 | \$15,566 | \$15,566 | \$15,566 | \$15,566 | \$15,566 | \$15,566 | \$15,566 | \$15,566 | \$140,518 | | |
| Pick-Up and Delivery Charges | \$891 | \$891 | \$891 | \$891 | \$891 | \$891 | \$891 | \$891 | \$891 | \$891 | \$8,910 | | |
| Total Service Charges | \$9,045 | \$20,581 | \$25,340 | \$25,340 | \$25,340 | \$25,340 | \$25,340 | \$25,340 | \$25,340 | \$25,340 | \$232,343 | (\$23,913) | \$208,430 |
| Temporary Personal Services | | \$10,392 | \$5,033 | \$5,033 | \$5,033 | \$5,033 | \$5,033 | \$5,033 | \$5,033 | \$5,033 | \$50,656 | \$0 | \$50,656 |
| Temporary Hours | | 817 | 391 | | | | | | | | | | |
| Printing | | | | | | | | | | | | | |
| Volume | 128,708 | 872,454 | 1,561,732 | | | | | | | | | | |
| Charges to DoIT | \$2,317 | \$15,704 | \$28,111 | \$28,111 | \$28,111 | \$28,111 | \$28,111 | \$28,111 | \$28,111 | \$28,111 | \$242,909 | \$0 | \$242,909 |
| TOTAL | | | | | | | | | | | | | \$1,409,797 |

Schedule 6
SUPPLEMENTAL REQUEST for FY 2004-05

Department: Personnel and Administration
 Priority Number: DPA Supplemental #4
 Division: Division of Finance and Procurement
 Program: State Controller's Office and Procurement Services
 Request Title: Refinancing Related to Indirect Costs/Procurement Card Rebates

Dept. Approval: *[Signature]*
 OSPB Approval: *[Signature]*
 Statutory Citation:
 Budget Analyst: Eric Fiolkoski

Date: January 3, 2005
 Date: 12/29/04

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|---|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$139,916 | \$142,176 | \$0 | \$142,176 | \$142,176 | \$0 | \$142,176 | \$0 | \$142,176 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 97,570 | 142,176 | (142,176) | 0 | 142,176 | 0 | 142,176 | 0 | 142,176 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 42,346 | 0 | 142,176 | 142,176 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division of Finance and Procurement, State Controller's Office & Procurement Services, Operating Expenses | Total | \$139,916 | \$142,176 | \$0 | \$142,176 | \$142,176 | \$0 | \$142,176 | \$0 | \$142,176 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 97,570 | 142,176 | (142,176) | 0 | 142,176 | | 142,176 | | 142,176 | |
| | CF | | | | | | | | | | |
| | CFE | 42,346 | | 142,176 | 142,176 | | | | | | |
| | FF | | | | | | | | | | |

Letter Notations: Please Refer to text of requested letternote adjustment (related to cash funds exempt revenue sources) in the attached Efficiency and Effectiveness Analysis

Cash Fund Name/Number:

IT Request: No

Supplemental and Budget Amendment Criteria: Technical

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): This request includes a change to the amount of statewide indirect cost recoveries available from the Department of Labor & Employment in FY 2004-05.

Efficiency and Effectiveness Analysis Supplemental Budget Request FY 2004-05

Department: Department of Personnel & Administration

Long Bill Group/Division Division of Finance and Procurement

Program: State Controller's Office and Procurement Services

Request Title: Refinancing Related to Indirect Costs/Procurement Card Rebates

Request Criteria: Technical

Priority Number: DPA Supplemental #4

Summary of Request

One purpose of this technical Supplemental Request is to change the funding source of certain line items within the Division of Finance and Procurement (DFP), State Controller's Office and Procurement Services from indirect cost recoveries to Procurement Card rebates. The need for this technical request resulted from an inconsistency between the FY 2004-05 Long Bill and the FY 2004-05 Statewide Indirect Cost Allocation Plan. The Long Bill reflected an amount of \$255,458 as available indirect cost recoveries from the Department of Labor and Employment (CDLE) in the current fiscal year; according to the FY 2004-05 Statewide Indirect Cost Allocation Plan, the available indirect cost recoveries from CDLE are actually only \$229,459, a shortfall of \$25,999.

A second component of this request is a proposed refinancing of \$142,176 of General fund appropriated in the current fiscal year to the State Controller's Office and Procurement Services, Operating Expenses line item to cash funds exempt. The Department proposes to refinance this amount from procurement card rebates in order to provide statewide General fund relief.

Problem or Opportunity Definition

Historically, a portion of the funding source of the Personal Services and Operating Expenses in the DFP, State Controller's Office and Procurement have primarily included statewide indirect cost recoveries and procurement card rebates, along with some other funding sources. These funding sources have been used in prior years to avoid requiring a substantial amount of appropriated General fund annually during this period of fiscal constraints. Due to the shortfall in available indirect cost recoveries in the current fiscal year, the Department proposes via this request to cover the shortfall from procurement card rebates.

Additionally, as referenced above, the Department proposes a General fund refinance via this request. Based upon the most current and conservative projections of available procurement card

rebates for FY 2004-05, the Department further proposes to eliminate the \$142,176 General fund appropriation referenced above, to reflect the appropriation as cash funds exempt, and to refinance this amount from procurement card rebates.

The impact of the changes identified above is to reduce General fund in this section of the Department by \$142,176, while increasing cash funds exempt by the same amount, and to change the letternote "a" on page 183 of the FY 2004-05 Long Bill (HB 04-1422) from:

"Of this amount, ~~\$1,073,582~~ \$1,241,757 shall be from rebates received from the Procurement Card Program, \$659,006(T) shall be from statewide indirect cost recoveries from the Department of Transportation pursuant to Section 43-1-113(8) (a), C.R.S., ~~\$255,458~~ \$229,459(T) shall be from statewide indirect cost recoveries from the Department of Labor and Employment, \$160,078(T) shall be from statewide indirect cost recoveries from the Department of Local Affairs, \$112,520(T) shall be from statewide indirect cost recoveries from the Department of State, \$25,000 shall be from the reserve balance of the Debt Collection Fund created in Section 24-30-202.4 (3) (e), C.R.S., and \$20,000 shall be from the reserve balance of the Supplier Database Cash Fund created in Section 24-102-202.5 (2), C.R.S."

Conclusion/Recommendation:

The Department recommends approval of this request. The issue related to the shortfall in available indirect cost recoveries from CDLE is a technical correction that needs to be addressed in the current fiscal year. With regard to the aforementioned General fund reduction, this request presents an opportunity to provide additional statewide General fund relief, which the Department also recommends. (Note that the projections of available Procurement Card rebates may change over time, which may allow an opportunity for additional General fund relief in the current fiscal year.)

Finally, please note that the Department anticipates that the possibility of refinancing the State Controller's Office and Procurement Services with Procurement Card rebates, to the extent possible, to offset General fund will continue to be an issue to be discussed and addressed both at figure setting and in future DPA requests.

Statewide Requests

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

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Schedule 6
 STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05 and STATEWIDE BUDGET AMENDMENT REQUEST for FY 2005-06

Department: Personnel and Administration
 Priority Number: Statewide Suppl #1, SW Budget Amendment #1
 Division: Executive Office, Division of Central Services
 Program: Facilities Maintenance
 Request Title: Capitol Complex Utilities Increases

Dept. Approval: _____
 OSPB Approval: *Cindy Baouchi*
 Statutory Citation: _____
 Budget Analyst: Cindy Baouchi

Date: January 3, 2005
 Date: *12/28/04*

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$5,177,137 | \$5,302,409 | \$459,239 | \$5,761,648 | \$5,400,404 | \$0 | \$5,400,404 | \$831,058 | \$6,200,760 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 867,876 | 851,643 | 17,506 | 869,149 | 985,801 | 0 | 985,801 | (37,379) | 948,422 | 0 |
| | CF | 158,739 | 7,251 | 234 | 7,485 | 27,762 | 0 | 27,762 | 2,940 | 0 | 0 |
| | CFE | 4,150,522 | 4,443,515 | 441,499 | 4,885,014 | 4,386,841 | 0 | 4,386,841 | 865,497 | 5,252,338 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Leased Space | Total | \$901,324 | \$996,271 | \$0 | \$996,271 | \$1,136,844 | \$0 | \$1,136,844 | \$120,391 | \$1,257,235 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 362,827 | 308,949 | | 308,949 | 307,915 | | 307,915 | 32,608 | 340,523 | |
| | CF | 10,273 | | | 0 | 27,762 | | 27,762 | 2,940 | | |
| | CFE | 528,224 | 687,322 | | 687,322 | 801,167 | | 801,167 | 84,843 | 886,010 | |
| | FF | | | | | | | | | | |
| Executive Office, Capitol Complex Leased Space | Total | \$1,137,946 | \$1,208,673 | \$38,989 | \$1,247,662 | \$1,166,095 | \$0 | \$1,166,095 | (\$120,391) | \$1,045,704 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 505,049 | 542,694 | 17,506 | 560,200 | 677,886 | | 677,886 | (69,987) | 607,899 | |
| | CF | 130,284 | 7,251 | 234 | 7,485 | | | | | | |
| | CFE | 502,613 | 658,728 | 21,249 | 679,977 | 488,209 | | 488,209 | (50,404) | 437,805 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Facilities Maintenance, Capitol Complex Facilities, Utilities | Total | \$2,744,744 | \$2,689,354 | \$391,375 | \$3,080,729 | \$2,689,354 | \$0 | \$2,689,354 | \$794,311 | \$3,483,665 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | 2,744,744 | 2,689,354 | 391,375 | 3,080,729 | 2,689,354 | | 2,689,354 | 794,311 | 3,483,665 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Facilities Maintenance, Grand Junction State Services Building, Utilities | Total | \$69,826 | \$68,449 | \$6,328 | \$74,777 | \$68,449 | \$0 | \$68,449 | \$6,328 | \$74,777 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | 69,826 | 68,449 | 6,328 | 74,777 | 68,449 | | 68,449 | 6,328 | 74,777 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Facilities Maintenance, Camp George West, Utilities | Total | \$323,297 | \$339,662 | \$22,547 | \$362,209 | \$339,662 | \$0 | \$339,662 | \$30,419 | \$370,081 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 18,182 | | | | | | | | | |
| | CFE | 305,115 | 339,662 | 22,547 | 362,209 | 339,662 | | 339,662 | 30,419 | 370,081 | |
| | FF | | | | | | | | | | |

Letter Notations:
 Cash Fund Name/Number:
 IT Request: No
 Supplemental and Budget Amendment Criteria: New Data
 Request for New or Replacement Vehicles: No
 Request Affects Another Department(s): Yes - Statewide Supplemental Request impacting multiple departments.

Efficiency and Effectiveness Analysis
FY 2004-05 Statewide Supplemental and FY 2005-06 Budget Amendment

Department: Department of Personnel & Administration

Long Bill Group/Division: Executive Office, Division of Central Services

Program: Facilities Maintenance

Priority Number: Statewide Supplemental #1, Statewide Budget Amendment #1

Request Title: Capitol Complex Utilities Increases

Summary of Request

This Supplemental and Budget Amendment Request seeks to increase Capitol Complex Leased Space rates for tenant agencies in the Capitol Complex, the Grand Junction State Services Building and Camp George West to account for increases in utility costs. The total utilities increase for the three Utilities line items in Capitol Complex, Grand Junction and Camp George West as a result of this request is \$420,249 cash funds exempt for FY 2004-05 and \$831,058 cash funds exempt for FY 2005-06. A corresponding increase of cash funds exempt spending authority is in the Department of Personnel and Administration, Division of Central Services, Facilities Maintenance is also requested.

The DPA tenant share of this Statewide Supplemental Request for FY 2004-05 is a total increase of \$38,988 to the Executive Office, Capitol Complex Leased Space line item, of which \$17,506 is estimated as General fund. For FY 2005-06, the request reflects a decrease to the DPA Capitol Complex Leased Space line item of \$120,391, of which \$69,987 is estimated as General fund.

Note that the FY 2005-06 portion of this request seeks to amend the FY 2005-06 Capitol Complex Leased Space Common Policy from August. Further, included in the requested update to Capitol Complex Leased Space rates are adjustments to account for various departments' relocations within State-owned facilities, since utilities are recoverable costs in the Capitol Complex Leased Space Common Policy.

Note that the Utilities Model attachment, Attachments E-J, (containing the calculations and assumptions that result in the requested Capitol Complex utilities adjustment and the subsequent revised Capitol Complex Rates for both fiscal years) will be provided electronically due to the size and volume of worksheets included.

SUMMARY OF REQUEST for FY 04-05 and FY 05-06

| Long Bill Grouping and Line Item | FY 04-05 Long Bill Appropriation | FY 04-05 Estimated Expenditures | FY 04-05 Supplemental Request |
|--|---|--|--|
| Facilities Maintenance | | | |
| Capitol Complex Facilities Utilities | \$ 2,689,354 | \$ 3,080,729 | \$ 391,375 |
| Grand Junction State Services Building Utilities | \$ 68,449 | \$ 74,777 | \$ 6,328 |
| Camp George West Utilities | \$ 339,662 | \$ 362,209 | \$ 22,547 |
| Total Utilities | \$ 3,097,465 | \$ 3,517,714 | \$ 420,249 |

| Long Bill Grouping and Line Item | FY 05-06 Continuation Appropriation | FY 05-06 Requested Expenditures | FY 05-06 Amended Request |
|--|--|--|---|
| Facilities Maintenance | | | |
| Capitol Complex Facilities Utilities | \$ 2,689,354 | \$ 3,483,665 | \$ 794,311 |
| Grand Junction State Services Building Utilities | \$ 68,449 | \$ 74,777 | \$ 6,328 |
| Camp George West Utilities | \$ 339,662 | \$ 370,081 | \$ 30,419 |
| Total Utilities | \$ 3,097,465 | \$ 3,928,523 | \$ 831,058 |

Problem or Opportunity Definition

In the fall of 2004 the Department learned of significant utility rate increases, outlined in the Assumptions and Calculations section below, planned for FY 2004-05 and FY 2005-06. These increases for water, natural gas, steam and electricity are beyond the control of the Department. This request is for a commensurate increase to utility appropriations for the Capitol Complex, the Grand Junction State Services Building, and Camp George West in order to pay vendors on behalf of tenant agencies.

Preparation of the request is especially challenging at this point since this is the first time the request must address the budgetary implications of the energy performance contract entered into with Chevron Energy Solutions Company in December 2003. The goal of this performance contract is to save energy and utility costs in order to improve the facilities in the Capitol Complex and Grand Junction State Services Building. (Camp George West is not participating in this project, but may be included for future phases of the project.) Included in planned improvements to the facilities are upgraded lighting, heating, ventilation, air conditioning, and chilled water systems, and an on-site energy resource conservation manager to ensure long-term savings sustenance. Upon completion, preliminary estimates suggest annual energy usage will decrease 22% for electricity, 14% for natural gas, 29% for steam and 14% for water. (See Attachment A.) Additional savings will be realized through the deletion of unused meters and direct purchase of natural gas. (See Attachment B.) The project is financed through Citimortgage, Inc. Chevron Energy Solutions Company has guaranteed that savings through decreased energy consumption will cover the contracted schedule of payments to Citimortgage. Should actual savings fall short, Chevron is contractually obligated to pay the difference. Any excess savings is to be retained by the State. **The State is scheduled to pay Citimortgage \$294,687 in FY 2004-05 and \$596,698 in**

FY 2005-06. (Refer to Attachment C.) The first quarterly payment to Citimortgage is due March 2005, coinciding with completion of scheduled improvements.

The budgeting challenge presented at this time is complex. The request for the utilities line items must cover payments to Citimortgage *and* the utility companies, while a decrease in energy consumption is experienced and net rate increases are imposed. In past years, the budget request covered only expected payments for utility companies. In general this was calculated by using the previous year's usage for gas, electricity, water and steam as an estimate of the request year's energy usage and then multiplying that amount by anticipated rate changes. From this point on, until the obligation with Citimortgage is fulfilled in December 2023, the budget request will be designed to cover utility payments *and* energy "savings". Calculations will be based on "baseline" energy consumption prior to installation of any upgraded equipment under the energy performance contract. Anticipated utility rate changes for the request year will be applied to this base. Hypothetically, if there were no rate changes at all, the portion of the request related to the Capitol Complex facilities and Grand Junction would be budget neutral. In this simplistic illustration, the amount of the decrease in payments to utilities companies because of lower energy usage would precisely equal the contracted guaranteed savings to cover the Citimortgage payment. In reality, however, numerous rate changes occur each year and consumption of energy varies greatly from year to year. At this time, the magnitude of the net utility rate increases planned in FY 2004-05 exceeds the estimated energy savings. Thus, a positive supplemental is requested for these rate increases in FY 2004-05.

In general, payments to Citimortgage increase 2.5% a year. This is because base energy rates (refer to Attachment D) increase 2.5% a year. Thus, in future years when utilities rates may *decrease* on net, utilities expenditures must still increase to meet the payment to Citimortgage. When utilities rates *increase* on net in future years, increases in payments to Citimortgage will be capped at a 2.5% annual increase.

Scheduled improvements from the energy performance contract are expected to be completed by March 2005. At that time, the first quarterly payment to Citimortgage will be due and the Department will begin depreciation of the improvements made to the facilities over a 20-year period. Lease rates charged to agencies will be affected, as utilities are a component of the recoverable costs used in calculating Capitol Complex rates, and subsequent appropriations to departments annually (See Attachment K).

Assumptions and Calculations

Assumptions for Energy Utilization in the Capitol Complex and Grand Junction Facility

- At this time installation of agreed upon retrofits and upgrades is expected to be complete by March 2005.
- Chevron and the Department will agree upon a baseline period for energy consumption after the project is completed.
- For purposes of calculating this year's Supplemental Request, the Department will use FY 2003-04 as the representative year of baseline energy consumption.

- FY 2003-04 will be used as a baseline even for the carriage house at the Executive Residence. (Due to renovations it is currently not in use.) The renovation project will be completed in the spring of 2005. At that time, the carriage house will be functional again and utilities will be consumed. Energy utilization cannot be estimated at this time. The budget presented in this request is thus shortchanged by whatever this amount will be. This portion of the utilities request is relatively minor, overall, however.
- Energy *unit* savings as specified in Schedule C of the contract with Chevron are assumed to materialize. (Refer to Attachment A.)
- Energy *cost* savings will be determined by multiplying the predicted energy *unit* savings by the contractual base energy rates. (Refer to Attachment D for contractual base energy rates.) Note that base energy rates are assumed to increase a minimum of 2.5% a year.
- Additional savings for other energy conservation measures, such as the direct purchase of natural gas and deleting unused meters, have been stipulated in the contract. These amounts, noted in Attachment B, will be added to energy cost savings to arrive at total savings.

Assumptions for Rate Increases

The following assumptions for **natural gas, steam and electricity rates** have been made in consultation with the Department's Xcel Energy account representative affecting buildings in the Capitol Complex, and Grand Junction.

- Effective August 1, 2004:
 1. Purchased Capacity Cost Adjustment for electricity.
- Effective November 1, 2004:
 1. Natural gas rates for certain components increased about 20%.
 2. The steam cost adjustment factor increased roughly 40%.
- Effective December 1, 2004
 1. Natural gas rates are expected to rise yet another 5%. The Xcel Energy account representative has confirmed that this rate increase is in addition to the 20% increase experienced in November.
- Effective January 1, 2005
 1. Approximately 20% of Xcel Energy's power plants are fueled by natural gas. As a consequence, November's increase in natural gas rates will affect the cost of producing electricity. The Xcel account manager has explained various estimated changes to the Department. These are indicated in the accompanying attachments.
 2. Expenditures for steam are expected to increase, in total, by another 3% beginning in January.
- Effective June 1, 2005:

1. Electricity rate changes applied to secondary general service (SG) will vary by facility and time of usage (off-peak and on-peak demand). The Xcel Energy account representative has prepared a month-by-month recommendation by facility for the Department concerning these rate adjustments that have been incorporated into the Department's model. Billing statements do not detail which portion of usage occurs at off-peak or on-peak times. Therefore, so as to not underbudget for this change, the higher of either the on-peak or off-peak rate was factored into the projection model.
 2. Electricity rate changes for commercial service have also been estimated and recommended to the Department by the Xcel Energy account representative. These have also been incorporated into the Department's utilities estimation model.
- Numerous other riders and rate cases affecting electricity rates will change between July 2004 and June 2006.
 - Changes to Denver area light meters are unknown and are assumed unchanged in the model. (This is a relatively small portion of the total utilities request.)

The following assumptions for rate and surcharge changes associated with **water and sewage rates** are based on information posted on provider websites.

- The following Denver Water changes are applicable:
 1. Effective September 7, 2004 service charges increase.
 2. Effective September 7, 2004 consumption charges increase 8.5% for winter months and 8.9% for summer months.
 3. Beginning with billings as of August 1, 2004, the following changes from Consolidated Mutual Water will affect facilities at 690 and 700 Kipling, and 1881 Pierce Street.
 - Bi-monthly customer fixed services charges.
 - Usage now priced on a three-tiered schedule.

Billing statements from Consolidated Mutual Water do not provide enough detail for us to incorporate the schedule changes posted on its website. Therefore, the projection model assumes that the changes for these facilities in the Denver area are similar in magnitude to those for Denver Water.

- Sewer changes from the City of Grand Junction Public Works and Utilities Division affecting the Grand Junction State Services Building have been factored into this request.
- Water rate increases of 2% have been applied to this request.
- For compliance with the Federal Clean Water Act, Jefferson County is preparing to charge a new annual storm drainage assessment of \$8.00 per 1,000 square feet of impervious material for properties in unincorporated portions of the county. The property at Camp George West will be affected by this new stormwater management program. Estimates of impervious areas will be based on data collected from satellite photography. The survey is not scheduled until the spring of 2005. Consequently, the utilities projections cannot be adjusted for this new assessment at this time.
- This request includes the North Washington Street Consolidated Water estimated rate increase of 23%, effective January 2005.

The assumptions outlined above are incorporated in the utilities model found in attachments E through J, which will be provided electronically as noted previously. Please see the legend below.

Utilities Projection Models

| | |
|--------------|---|
| Attachment E | Denver Area FY 04-05 Supplemental |
| Attachment F | Denver Area FY 05-06 |
| Attachment G | Grand Junction State Building FY 04-05 Supplemental |
| Attachment H | Grand Junction State Building FY 05-06 |
| Attachment I | Camp George West FY 04-05 Supplemental |
| Attachment J | Camp George West FY 05-06 |

Assumptions for Adjusting Leased Space for State-Owned Facilities

- The Department has contracted with an architectural consulting firm to measure useable square footage by building and agency. This work is the basis for the billable useable square footage assigned to each department in this request.
- In September 2004 a lease agreement was signed to relocate most of the Department of Personnel and Administration to new leased space in downtown Denver, effective July 2005. The Department of Law and the Capitol Life Safety Project will take over most of the space vacated by the Department of Personnel and Administration in the State Services Building at 1525 Sherman.
- In addition, the Schedule 6 associated with this request reflects (a) the reduction in Capitol Complex square footage and associated costs for the Department of Personnel Administration referenced in the bullet above, which results in a reduction from the original FY 2005-06 Common Policy of \$120,391 for the Department, and (b) a corresponding increase of \$120,391 to the Department of Personnel and Administration Leased Space line item (for private leased space) to reflect the Department's leased space consolidation in downtown Denver. This new lease not only allows the Department to achieve operational efficiencies associated with collocation of multiple divisions currently in disparate locations, but also is estimated to provide long term savings.

Calculations for Lease Rates

This legend describes Attachment K for Lease Rates.

| | |
|----------------|--|
| Attachment K-1 | FY 04-05 Leased Space Square Footage, Rates and Allocations as Appropriated by Department |
| Attachment K-2 | FY 04-05 REQUESTED SUPPLEMENTAL Leased Space Square Footage, Rates and Allocations as Appropriated by Department Assuming Revised Square Footage and Utilities Increases |
| Attachment K-3 | FY 05-06 Useable Square Footage by Department, Incorporating Agency Moves |

| | |
|----------------|---|
| Attachment K-5 | FY 05-06 Capitol Complex Lease Rates Assuming Utilities Increase and Agency Moves |
| Attachment K-6 | FY 05-06 Capitol Complex Allocations by Department |

The table below summarizes the results of Attachment K by location.

Leased Space Rates per Useable Square Foot for FY 04-05 and FY 05-06

| | Denver | Pierce Street | North Campus | Grand Junction | Camp George West |
|-------------------|---------------|---------------|---------------|-----------------|------------------|
| FY 04-05 Approp. | \$10.31 | \$5.37 | \$3.81 | \$6.43 | \$0.90 |
| FY 04-05 Suppl. | \$10.76 | \$5.68 | \$3.99 | \$6.57 | \$0.92 |
| <i>Difference</i> | <i>\$0.45</i> | <i>\$0.31</i> | <i>\$0.18</i> | <i>\$0.14</i> | <i>\$0.02</i> |
| FY 05-06 * | \$10.00 | \$5.21 | \$3.67 | \$6.42 | \$0.96 |
| FY 05-06 Amend. | \$10.77 | \$5.40 | \$3.78 | \$6.40 | \$1.03 |
| <i>Difference</i> | <i>\$0.77</i> | <i>\$0.19</i> | <i>\$0.11</i> | <i>(\$0.02)</i> | <i>\$0.07</i> |

* This is the amount recommended in August's Common Policies.

Summary Calculations for Utilities Appropriations

The table below, based on results from Attachments E through J compares actual utilities expenditures and annual rates of change through FY 03-04 with the utility model's projections for FY 04-05 and FY 05-06. Note that despite the slight decline in expenditures projected for FY 05-06 in Grand Junction, for management purposes, this request seeks to hold the FY 05-06 appropriation constant at the FY 04-05 requested supplemental level. This is because any underestimate within the utility line would be required to be covered through a transfer from the operating line. Because this operation is relatively small, (only 1.0 FTE) there is not much room in the operating budget for unforeseen expenditures. Thus, we believe it prudent to retain a slightly higher appropriation in this line to cover any unexpected contingencies. All other lines are requested as projected.

| | | Capitol Complex Utilities | Grand Junction Utilities | Camp George West Utilities |
|----------|------------|---------------------------|--------------------------|----------------------------|
| FY 00-01 | | \$2,205,885 | \$59,363 | \$281,137 |
| FY 01-02 | | \$2,112,294 | \$58,598 | \$289,876 |
| FY 02-03 | | \$2,310,381 | \$57,034 | \$270,666 |
| FY 03-04 | | \$2,744,744 | \$69,826 | \$323,297 |
| FY 04-05 | projection | \$3,080,729 | \$74,777 | \$362,209 |
| FY 05-06 | projection | \$3,483,665 | \$71,084 | \$370,081 |

| | | Annual Percentage Change | | |
|----------|------------|---------------------------|--------------------------|----------------------------|
| | | Capitol Complex Utilities | Grand Junction Utilities | Camp George West Utilities |
| FY 01-02 | | -4.2% | -1.3% | 3.1% |
| FY 02-03 | | 9.4% | -2.7% | -6.6% |
| FY 03-04 | | 18.8% | 22.4% | 19.4% |
| FY 04-05 | projection | 12.2% | 7.1% | 12.0% |
| FY 05-06 | projection | 13.1% | -4.9% | 2.2% |

Available Alternatives

1. This request seeks to increase the Capitol Complex (and Grand Junction and Camp George West) utilities appropriations to address rate changes, and cover the energy performance contract payment obligations. This alternative incorporates the requested increases in the recoverable costs for Capitol Complex Leased Space, and as a result adjusts Capitol Complex rates (including Grand Junction and Camp George West) for both fiscal years. Lease rates for user agencies will be modified as noted in Attachment K
2. Do Nothing.

Assessment of Alternatives

Alternative #1 (Recommended)

This Department recommends Alternative #1. Without providing for the previously identified increases requested in utilities appropriations, the Department would be unable to pay vendors for utility consumption incurred. This is not a viable option, and would result in negative consequences for the multiple State agency tenants of Capitol Complex managed facilities.

Alternative #2—(Do Nothing)

Unless user agencies' Capitol Complex Leased Space line items and DPA Utilities line items identified previously are increased to address utility rate increases, expenditures will exceed appropriations. Once over-expenditures occur, payments to vendors will be held until the issue is resolved. Delayed payment could result in late fees that would create further pressure on the already overspent lines. If statutory transfer authority is not approved to cover the over-expenditures, the amount of the over-expenditure would be restricted from the following year's appropriation, merely compounding the problem for the next year.

Other Key Issues for Decision Making

In recent years, several steps have been taken by the Division of Central Services' Facilities Management unit to conserve energy in the Capitol Complex, Grand Junction and Camp George West facilities. For example, winter heating set points have been lowered by two degrees. Conversely, in the summer months, the cooling temperature set point was increased from 73 to 75 degrees. Fans are also turned on an hour later and shut off an hour earlier. These and other energy conservation methods have been considered as part of this request, and will continue as standards of comfort in the energy performance contract with Chevron.

Conclusion/Recommendation

As referenced above, the Department recommends Alternative 1, which contains requested increases in utilities appropriations for the Capitol Complex, the Grand Junction State Services Building, and Camp George West.

Attachment A

Annual Energy Savings by Type and Building for Contracted Energy Conservation Measures

| Facility | Stipulated Electric Usage Savings kWh | Stipulated Electric Demand Savings kW | Stipulated Natural Gas Usage Savings Therms | Stipulated Steam Usage Savings 1000 lbs. | Stipulated Water Usage Savings gallons | Energy Conservation Measures To Be Implemented |
|--|---------------------------------------|---------------------------------------|---|--|--|--|
| State Capitol | 949,557 | 2,284 | 0 | 1,440 | 912,000 | 1, 2, 3, 34 |
| Capitol Annex Building | 308,259 | 986 | 0 | 630 | 356,000 | 1, 2, 3, 34 |
| Colorado History Building | 949,355 | 1,191 | 0 | 910 | 291,000 | 1, 2, 3, 5, 9, 34 |
| 690 Kipling | 1,543,176 | 1,706 | 0 | 0 | 263,000 | 1, 2, 3, 5, 9, 34, 35 |
| 700 Kipling | 240,457 | 860 | 0 | 0 | 272,000 | 1, 2, 34 |
| Human Services Building | 264,289 | 794 | 0 | 0 | 0 | 1, 3, 34 |
| Judicial Building | 618,480 | 1,088 | 0 | 366 | 644,000 | 1, 2, 3, 34 |
| Legislative Services Building | 109,933 | 392 | 0 | 265 | 158,000 | 1, 2, 3, 34 |
| North Campus (North Building) | 42,582 | 96 | 1,788 | 0 | 0 | 1, 3, 34, 35 |
| North Campus (West Building) | 193,141 | 654 | 4,198 | 0 | 0 | 1, 3, 29, 34, 35 |
| North Campus (East Building) | 187,591 | 606 | 1,788 | 0 | 0 | 1, 3, 34, 35 |
| Pierce Street Building | 931,528 | 1,397 | 6,139 | 0 | 579,000 | 1, 2, 3, 11a, 34, 35 |
| State Office Building | 91,754 | 349 | 0 | 384 | 424,000 | 1, 2, 3, 34 |
| 1570 Grant Street Building | 114,100 | 478 | 0 | 0 | 215,000 | 1, 2, 34, 35 |
| Centennial Building | 0 | 0 | 0 | 0 | 364,000 | 2, 34 |
| State Services Building | 48,344 | 202 | 0 | 0 | 0 | 1, 34 |
| Power Plant Building | (134,766) | (1,605) | 0 | 7,139 | 40,000 | 1, 2, 5, 32, 34 |
| Governor's Residence | 32,934 | 104 | 0 | 0 | 0 | 1, 7, 34, 35 |
| Complex Wide (ECM #34) | 821,947 | | | | | 34 |
| Total Capitol Complex Area | 7,312,661 | 11,583 | 13,913 | 11,134 | 4,518,000 | |
| Grand Junction State Services Building | 44,183 | 186 | 2,771 | 0 | 0 | 1, 3, 34, 35 |
| Energy Usage for 2002 | 33,250,509 | | 123,127 | 38,492 | 32,604,000 | |
| Savings as a Percentage of 2002 Usage | 22% | | 14% | 29% | 14% | |

Sources:

Energy Conservation Measures (ECM) to be implemented based on Schedule A of the contract with Chevron
 Stipulated Usage Savings for ECMs 3, 5, 7, 9, 11a, 29, and 34 from Schedule C of the contract with Chevron.
 Estimated Usage Savings for ECMs 1 and 2 are from Table 4-2 of the Comprehensive Energy Analysis (CEA), volume I, dated August 2003.
 Energy Consumption History for 2002 found in Table 2-5 of the Comprehensive Energy Analysis (CEA) volume 1, dated August 2003.
 Generally, consumption is for calendar year 2002. In some cases it is for December 2001 through November 2002.

Notes:

Savings from Energy Conservation Measure #16 for Replacing District Steam With a Gas-Fired Central Boiler at the Power Plant Building has been excluded from this analysis. It now appears that Chevron will not be building the new boiler. Rather, this project will be undertaken by Xcel Energy.

| Legend for Energy Conservation Measures (ECM) | |
|---|-------|
| Description | ECM # |
| Lighting Improvements | 1 |
| Water Consumption Improvements | 2 |
| Upgrade/Expand Direct Digital Controls | 3 |
| Chilled Water System Improvements | 5 |
| Optimize Chiller Control | 7 |
| Install Water Side Economizer | 9 |
| Replace Chiller, Colling Tower, Pumps | 11a |
| Add Insulation/Weather Stripping | 29 |
| Delete Unused Water Meters | 32 |
| Energy Resource Conservation Manager | 34 |
| Direct Purchase Natural Gas | 35 |

Stipulated Non-Energy \$ Savings

The following dollar savings have been calculated by Chevron ES from the installation of the EC measures and have been agreed to by the State and will not be measured. The sum of these savings each measurement year will be added to the EC savings for that Measurement Year.

| Measurement Year | Delete Unused Meters Savings | Direct Purchase Natural Gas Savings |
|------------------|------------------------------|-------------------------------------|
| 1 | \$3,312 | \$57,705 |
| 2 | \$3,418 | \$59,147 |
| 3 | \$3,527 | \$60,626 |
| 4 | \$3,640 | \$62,142 |
| 5 | \$3,757 | \$63,696 |
| 6 | \$3,877 | \$65,288 |
| 7 | \$4,001 | \$66,920 |
| 8 | \$4,129 | \$68,593 |
| 9 | \$4,261 | \$70,308 |
| 10 | \$4,398 | \$72,066 |
| 11 | \$4,538 | \$73,867 |
| 12 | \$4,683 | \$75,714 |
| 13 | \$4,833 | \$77,607 |
| 14 | \$4,988 | \$79,547 |
| 15 | \$5,148 | \$81,536 |
| 16 | \$5,312 | \$83,574 |
| 17 | \$5,482 | \$85,663 |
| 18 | \$5,658 | \$87,805 |
| 19 | \$5,839 | \$90,000 |
| 20 | \$6,026 | \$92,250 |

| Attachment C | | |
|--|---------------------|--------------------|
| Performance Contract Payment Schedule | | |
| Year | Total Payment | Interest Payment |
| FY 03-04 Escrow | \$225,446 | \$225,446 |
| FY 04-05 Escrow | \$338,169 | \$338,169 |
| FY 04-05 | \$294,687 | \$111,391 |
| FY 05-06 | \$596,698 | \$441,106 |
| FY 06-07 | \$611,534 | \$433,152 |
| FY 07-08 | \$642,646 | \$423,969 |
| FY 08-09 | \$674,581 | \$412,396 |
| FY 09-10 | \$691,456 | \$399,140 |
| FY 10-11 | \$708,753 | \$384,388 |
| FY 11-12 | \$726,484 | \$368,045 |
| FY 12-13 | \$744,656 | \$350,012 |
| FY 13-14 | \$763,283 | \$330,182 |
| FY 14-15 | \$782,376 | \$308,444 |
| FY 15-16 | \$801,947 | \$284,681 |
| FY 16-17 | \$822,006 | \$258,769 |
| FY 17-18 | \$842,567 | \$230,578 |
| FY 18-19 | \$863,642 | \$199,969 |
| FY 19-20 | \$885,244 | \$166,798 |
| FY 20-21 | \$907,386 | \$130,911 |
| FY 21-22 | \$930,082 | \$92,149 |
| FY 22-23 | \$953,345 | \$50,341 |
| FY 23-24 | \$475,736 | \$8,474 |
| TOTAL | \$15,282,724 | \$5,948,511 |
| Source: Contract with Citimortgage, December 2003 Schedule B. | | |

Base Energy Rates

EC Savings shall be calculated using the Base Energy Rates or actual energy rates for that meter, whichever results in greater EC Savings. Actual energy rates will be calculated at the end of each Contract year using utility billing information for that Contract Year and using the same methodology as was employed to determine the Base Energy Rate in the Comprehensive Energy Analysis Report.

The Base Energy Rates listed here are to be increased each year on a cumulative basis by two and one-half percent (2.5%) beginning on the first anniversary of the M&V Commencement Date and continuing on the first day of each Contract Year thereafter.

| Building: | Electric | | Nat. Gas \$/Therm: | Steam \$/Mlb: | Water \$/Kgal: |
|--|-------------------------|-----------|-----------------------|------------------|-------------------|
| | \$/kW: | \$/kWh: | | | |
| 1570 Grant Street Building | \$12.89 | \$0.02546 | \$0.62 | N/A | \$3.45 |
| Capitol Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| Capitol Annex Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| Centennial Building | \$5.51(Off), \$7.92(On) | \$0.01869 | \$0.61 | \$11.84 | \$3.45 |
| Colorado History Museum | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$2.11 |
| Dale Tooley Building (690 Kipling) | \$12.89 | \$0.01903 | \$0.62 | N/A | \$5.39 |
| Governor's Residence | \$12.89 | \$0.04264 | \$0.62 | N/A | \$3.8 |
| Grand Junction State Services Building | \$12.77 | \$0.01885 | \$0.62 | N/A | \$1.95 |
| Human Services Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| Judicial Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$2.11 |
| Legislative Services Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| North Campus North Building | \$12.52 | \$0.01848 | \$0.60 | N/A | \$1.98 |
| North Campus West Building | \$12.52 | \$0.01848 | \$0.60 | N/A | \$1.98 |
| North Campus East Building | \$12.52 | \$0.01848 | \$0.60 | N/A | \$1.98 |
| Pierce Street Building | \$12.89 | \$0.01903 | \$0.62 | N/A | \$5.50 |
| Power Plant Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| Resource Park West (700 Kipling) | \$12.89 | \$0.01903 | N/A | N/A | \$5.39 |
| State Office Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |
| State Services Building | \$5.51(Off), \$7.92(On) | \$0.01869 | N/A | \$11.84 | \$3.45 |

Attachment K-1
Capitol Complex Leased Space Appropriated FY 04-05
Source: JBC 3-16-04

| | Denver | Pierce St | N. Campus | Grand Junction | Camp George | TOTALS |
|-----------------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Personal Services | 2,192,241 | 194,866 | 48,716 | 42,165 | 58,340 | 2,536,328 |
| Salary Survey | 43,119 | 383 | 958 | 832 | 1,114 | 46,406 |
| PBP | 21,083 | 1,874 | 469 | 0 | 1,501 | 24,927 |
| Workers' Comp | 31,105 | 2,562 | 732 | 347 | 480 | 35,226 |
| Shift | 11,078 | 0 | 0 | 0 | 0 | 11,078 |
| Short-term Disability | 2,924 | 260 | 65 | 59 | 81 | 3,389 |
| HLD | <u>124,708</u> | <u>11,085</u> | <u>2,771</u> | <u>31</u> | <u>1,327</u> | <u>139,922</u> |
| Subtotal | 2,426,258 | 211,030 | 53,711 | 43,434 | 62,843 | 2,797,276 |
| Operating Expenses | 1,473,719 | 130,997 | 32,749 | 76,873 | 122,102 | 1,836,440 |
| Repairs | 50,868 | 4,522 | 1,130 | 0 | 0 | 56,520 |
| Risk | 66,922 | 5,511 | 1,574 | 1,426 | 1,426 | 76,859 |
| GGCC | 11,685 | 1,029 | 400 | 418 | 418 | 13,950 |
| Vehicle Lease | 4,415 | 392 | 98 | 0 | 0 | 4,905 |
| Legal Services | 4,852 | 400 | 114 | 171 | 171 | 5,708 |
| Depreciation | 22,018 | 0 | 0 | 0 | 0 | 22,018 |
| Utilities | 2,420,419 | 215,149 | 53,787 | 68,449 | 49,737 | 2,807,541 |
| Leased Space | 23,322 | 1,921 | 549 | 823 | 823 | 27,438 |
| Security | 442,011 | 0 | 0 | 0 | 0 | 442,011 |
| Administration | 203,598 | 19,767 | 4,791 | 7,186 | 7,186 | 242,528 |
| Indirect Costs | <u>543,172</u> | <u>44,732</u> | <u>12,781</u> | <u>19,171</u> | <u>19,171</u> | <u>639,027</u> |
| Subtotal | 5,267,001 | 424,420 | 107,973 | 174,517 | 201,034 | 6,174,945 |
| TOTAL Costs | 7,693,259 | 635,450 | 161,684 | 217,951 | 263,877 | 8,972,221 |
| 1.0% Billable Vacant | 76,933 | 6,355 | 1,617 | 2,180 | 2,639 | 89,722 |
| Tower Lease | 0 | 0 | 0 | 0 | (9,600) | (9,600) |
| Grand Total | 7,770,192 | 641,805 | 163,301 | 220,131 | 256,916 | 9,052,343 |
| Cost for Square Foot | \$10.31 | \$5.37 | \$3.81 | \$6.43 | \$0.90 | \$7.32 |

Square Footage

| Department | Denver | Pierce St | N. Campus | Grand Junction | Camp George | TOTAL |
|-----------------------|----------------|----------------|---------------|----------------|----------------|------------------|
| Agriculture | 13,554 | 0 | 0 | 0 | 0 | 13,554 |
| Corrections | 0 | 0 | 0 | 0 | 42,624 | 42,624 |
| Correctional Ind | 0 | 0 | 0 | 0 | 18,672 | 18,672 |
| Education | 44,138 | 0 | 0 | 0 | 0 | 44,138 |
| Governor | 20,143 | 0 | 0 | 0 | 0 | 20,143 |
| HCPF | 27,661 | 0 | 0 | 0 | 0 | 27,661 |
| Higher Education | 0 | 0 | 0 | 1,297 | 5,706 | 7,003 |
| Human Services | 98,131 | 0 | 0 | 2,959 | 0 | 101,090 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor | 0 | 0 | 4,364 | 1,626 | 0 | 5,990 |
| Law | 86,280 | 0 | 0 | 0 | 0 | 86,280 |
| Legislature | 107,686 | 0 | 0 | 0 | 0 | 107,686 |
| Local Affairs | 33,587 | 0 | 0 | 3,407 | 25,566 | 62,560 |
| Military Affairs | 0 | 0 | 0 | 0 | 49,032 | 49,032 |
| Natural Resources | 69,366 | 0 | 0 | 0 | 0 | 69,366 |
| Personnel | 103,167 | 0 | 32,677 | 3,200 | 0 | 139,044 |
| Public Health | 0 | 0 | 0 | 3,995 | 0 | 3,995 |
| Public Safety | 62,684 | 0 | 0 | 0 | 125,904 | 188,588 |
| Reg. Agencies | 0 | 0 | 0 | 169 | 0 | 169 |
| Revenue | 79,032 | 119,615 | 5,830 | 5,870 | 0 | 210,347 |
| State | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 4,592 | 0 | 0 | 11,718 | 18,251 | 34,561 |
| Treasury | <u>3,650</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,650</u> |
| TOTAL Sq. Foot | 753,671 | 119,615 | 42,871 | 34,241 | 285,755 | 1,236,153 |

Recommended Appropriations

| Department | Denver | Pierce St | N. Campus | Grand Junction | Camp George | Utilities at CGW | TOTAL |
|-------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Agriculture | 139,739 | 0 | 0 | 0 | 0 | 0 | 139,739 |
| Corrections | 0 | 0 | 0 | 0 | 38,322 | 43,547 | 81,869 |
| Correctional Ind | 0 | 0 | 0 | 0 | 16,788 | 18,845 | 35,633 |
| Education | 455,054 | 0 | 0 | 0 | 0 | 0 | 455,054 |
| Governor | 207,670 | 0 | 0 | 0 | 0 | 0 | 207,670 |
| HCPF | 285,179 | 0 | 0 | 0 | 0 | 0 | 285,179 |
| Higher Education | 0 | 0 | 0 | 8,338 | 5,130 | 5,770 | 19,238 |
| Human Services | 1,011,710 | 0 | 0 | 19,023 | 0 | 0 | 1,030,733 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor | 0 | 0 | 16,623 | 10,453 | 0 | 0 | 27,076 |
| Law | 889,529 | 0 | 0 | 0 | 0 | 0 | 889,529 |
| Legislature | 1,110,220 | 0 | 0 | 0 | 0 | 0 | 1,110,220 |
| Local Affairs | 346,275 | 0 | 0 | 21,903 | 22,986 | 25,803 | 416,967 |
| Military Affairs | 0 | 0 | 0 | 0 | 44,084 | 50,389 | 94,473 |
| Natural Resources | 715,149 | 0 | 0 | 0 | 0 | 0 | 715,149 |
| Personnel | 1,063,630 | 0 | 124,471 | 20,572 | 0 | 0 | 1,208,673 |
| Public Health | 0 | 0 | 0 | 25,683 | 0 | 0 | 25,683 |
| Public Safety | 646,259 | 0 | 0 | 0 | 113,197 | 127,132 | 886,588 |
| Reg. Agencies | 0 | 0 | 0 | 1,086 | 0 | 0 | 1,086 |
| Revenue | 814,804 | 641,805 | 22,207 | 37,737 | 0 | 0 | 1,516,553 |
| State | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 47,343 | 0 | 0 | 75,333 | 16,409 | 18,439 | 157,524 |
| Treasury | <u>37,631</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>37,631</u> |
| TOTAL | 7,770,192 | 641,805 | 163,301 | 220,128 | 256,916 | 289,925 | 9,342,267 |

Attachment K-2
 Capital Complex - Leased Space FY 04-05 Supplemental

Capital Complex - TOTALS

| | Devserv | Pierce St | N Campus | Grand Junction | Camp George | TOTALS |
|-------------------------|-----------|-----------|----------|----------------|-------------|-----------|
| Personnel Services | 2,122,241 | 194,866 | 48,716 | 42,165 | 38,340 | 2,536,328 |
| Security | 41,159 | 383 | 958 | 852 | 1,114 | 46,506 |
| PP&E | 21,081 | 1,874 | 469 | 9 | 1,501 | 24,927 |
| Workshop Comp | 31,193 | 2,353 | 732 | 347 | 480 | 35,226 |
| Shift | 1,078 | 0 | 0 | 0 | 0 | 1,078 |
| Short-term Disability | 1,723 | 300 | 0 | 0 | 0 | 2,023 |
| Travel | 134,218 | 1,038 | 3,171 | 1,171 | 1,139 | 139,839 |
| Subtotal | 2,434,258 | 211,609 | 53,771 | 43,447 | 42,644 | 2,797,726 |
| Operating Expenses | 1,473,719 | 130,937 | 31,740 | 76,973 | 122,102 | 1,835,640 |
| Repairs | 50,868 | 4,522 | 1,130 | 0 | 0 | 56,520 |
| Risk | 66,972 | 3,511 | 1,374 | 1,428 | 1,428 | 76,659 |
| COCC | 11,683 | 1,039 | 400 | 418 | 418 | 13,959 |
| Vehicle Lease | 4,411 | 393 | 92 | 0 | 0 | 4,903 |
| Legal Services | 7,832 | 600 | 114 | 171 | 171 | 8,788 |
| Information | 2,384,799 | 214,146 | 81,365 | 38,777 | 54,290 | 2,773,377 |
| Leased Space | 23,322 | 921 | 569 | 823 | 823 | 27,438 |
| Security | 44,011 | 0 | 0 | 0 | 0 | 44,011 |
| Administration | 203,598 | 19,787 | 4,791 | 7,186 | 7,186 | 242,528 |
| Indirect Costs | 58,174 | 49,332 | 13,181 | 19,171 | 19,171 | 139,927 |
| Subtotal | 5,831,381 | 443,811 | 115,575 | 188,845 | 205,387 | 6,577,699 |
| TOTAL Costs | 8,057,639 | 658,484 | 169,286 | 274,279 | 258,430 | 9,174,475 |
| 2.0% Inflation Variable | 80,576 | 6,584 | 1,693 | 2,843 | 2,844 | 93,745 |
| Leased Space | 8,138,215 | 665,108 | 170,979 | 277,122 | 261,274 | 9,268,021 |
| Cost of Capital | 1,627,676 | 148,688 | 48,248 | 66,377 | 66,377 | 1,957,366 |
| Non-inflated | 50,45 | 49,37 | 69,48 | 43,14 | 49,02 | 162,11 |
| Square Footage | | | | | | |
| Department | Devserv | Pierce St | N Campus | Grand Junction | Camp George | TOTAL |
| Agriculture | 13,553 | 0 | 0 | 0 | 0 | 13,553 |
| Corrections | 0 | 0 | 0 | 0 | 42,624 | 42,624 |
| Corrections Inf | 0 | 0 | 0 | 0 | 18,672 | 18,672 |
| Education | 44,433 | 0 | 0 | 0 | 0 | 44,433 |
| Energy | 31,173 | 0 | 0 | 0 | 0 | 31,173 |
| Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher Education | 0 | 0 | 0 | 1,320 | 5,706 | 7,026 |
| Human Services | 99,067 | 0 | 0 | 3,104 | 0 | 102,191 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor | 0 | 0 | 4,384 | 1,295 | 0 | 5,659 |
| Law | 84,211 | 0 | 0 | 0 | 0 | 84,211 |
| Legislature | 11,981 | 0 | 0 | 0 | 0 | 11,981 |
| Local Affairs | 35,238 | 0 | 0 | 3,478 | 25,366 | 64,082 |
| Local Affairs | 0 | 0 | 0 | 0 | 0 | 0 |
| Natural Resources | 69,107 | 0 | 0 | 0 | 49,076 | 118,183 |
| Personnel | 101,936 | 0 | 32,807 | 2,990 | 0 | 137,733 |
| Public Health | 0 | 0 | 0 | 3,996 | 0 | 3,996 |
| Public Safety | 63,474 | 0 | 0 | 0 | 123,904 | 187,378 |
| Reg. Agencies | 74,340 | 116,448 | 3,700 | 162 | 5,659 | 200,597 |
| Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| State | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 12,335 | 18,271 | 30,606 |
| Utilities | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Sq. Feet | 754,694 | 116,448 | 42,871 | 34,849 | 285,755 | 1,235,667 |

| Department | Devserv | Pierce St | N Campus | Grand Junction | Camp George | Utilities in CGW | TOTAL |
|-------------------|-----------|-----------|----------|----------------|-------------|------------------|-----------|
| Agriculture | 145,878 | 0 | 0 | 0 | 0 | 0 | 145,878 |
| Corrections | 0 | 0 | 0 | 0 | 39,008 | 82,790 | 121,798 |
| Corrections Inf | 0 | 0 | 0 | 0 | 17,088 | 21,387 | 38,471 |
| Education | 478,254 | 0 | 0 | 0 | 0 | 0 | 478,254 |
| Energy | 31,173 | 0 | 0 | 0 | 0 | 0 | 31,173 |
| Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher Education | 0 | 0 | 0 | 8,667 | 5,222 | 2,270 | 16,159 |
| Human Services | 1,066,523 | 0 | 0 | 20,131 | 0 | 0 | 1,086,654 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor | 906,405 | 0 | 0 | 8,593 | 0 | 0 | 914,998 |
| Law | 1,203,307 | 0 | 0 | 0 | 0 | 0 | 1,203,307 |
| Legislature | 357,649 | 0 | 0 | 21,700 | 0 | 0 | 379,349 |
| Local Affairs | 0 | 0 | 0 | 0 | 33,170 | 4,818 | 38,000 |
| Local Affairs | 0 | 0 | 0 | 0 | 44,471 | 27,240 | 71,711 |
| Natural Resources | 743,483 | 0 | 0 | 0 | 0 | 0 | 743,483 |
| Personnel | 1,097,188 | 0 | 130,841 | 19,632 | 0 | 0 | 1,247,661 |
| Public Health | 0 | 0 | 0 | 26,218 | 0 | 0 | 26,218 |
| Public Safety | 683,202 | 0 | 0 | 115,723 | 134,665 | 0 | 933,600 |
| Reg. Agencies | 0 | 0 | 0 | 1,064 | 0 | 0 | 1,064 |
| Revenue | 802,742 | 661,390 | 27,733 | 38,536 | 0 | 0 | 1,532,401 |
| State | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 86,706 | 15,000 | 0 | 101,706 |
| Utilities | 47,133 | 0 | 0 | 0 | 0 | 0 | 47,133 |
| TOTAL | 8,138,215 | 661,390 | 170,979 | 246,521 | 261,814 | 307,919 | 9,174,475 |

| Department | Devserv | Pierce St | N Campus | Grand Junction | Camp George | TOTAL |
|-------------------------|-----------|-----------|----------|----------------|-------------|-----------|
| Personnel Services | 2,122,241 | 194,866 | 48,716 | 42,165 | 38,340 | 2,536,328 |
| Security | 41,159 | 383 | 958 | 852 | 1,114 | 46,506 |
| PP&E | 21,081 | 1,874 | 469 | 9 | 1,501 | 24,927 |
| Workshop Comp | 31,193 | 2,353 | 732 | 347 | 480 | 35,226 |
| Shift | 1,078 | 0 | 0 | 0 | 0 | 1,078 |
| Short-term Disability | 1,723 | 300 | 0 | 0 | 0 | 2,023 |
| Travel | 134,218 | 1,038 | 3,171 | 1,171 | 1,139 | 139,839 |
| Subtotal | 2,434,258 | 211,609 | 53,771 | 43,447 | 42,644 | 2,797,726 |
| Operating Expenses | 1,473,719 | 130,937 | 31,740 | 76,973 | 122,102 | 1,835,640 |
| Repairs | 50,868 | 4,522 | 1,130 | 0 | 0 | 56,520 |
| Risk | 66,972 | 3,511 | 1,374 | 1,428 | 1,428 | 76,659 |
| COCC | 11,683 | 1,039 | 400 | 418 | 418 | 13,959 |
| Vehicle Lease | 4,411 | 393 | 92 | 0 | 0 | 4,903 |
| Legal Services | 7,832 | 600 | 114 | 171 | 171 | 8,788 |
| Information | 2,384,799 | 214,146 | 81,365 | 38,777 | 54,290 | 2,773,377 |
| Leased Space | 23,322 | 921 | 569 | 823 | 823 | 27,438 |
| Security | 44,011 | 0 | 0 | 0 | 0 | 44,011 |
| Administration | 203,598 | 19,787 | 4,791 | 7,186 | 7,186 | 242,528 |
| Indirect Costs | 58,174 | 49,332 | 13,181 | 19,171 | 19,171 | 139,927 |
| Subtotal | 5,831,381 | 443,811 | 115,575 | 188,845 | 205,387 | 6,577,699 |
| TOTAL Costs | 8,057,639 | 658,484 | 169,286 | 274,279 | 258,430 | 9,174,475 |
| 2.0% Inflation Variable | 80,576 | 6,584 | 1,693 | 2,843 | 2,844 | 93,745 |
| Leased Space | 8,138,215 | 665,108 | 170,979 | 277,122 | 261,274 | 9,268,021 |
| Cost of Capital | 1,627,676 | 148,688 | 48,248 | 66,377 | 66,377 | 1,957,366 |
| Non-inflated | 50,45 | 49,37 | 69,48 | 43,14 | 49,02 | 162,11 |
| Square Footage | | | | | | |
| Department | Devserv | Pierce St | N Campus | Grand Junction | Camp George | TOTAL |
| Agriculture | 13,553 | 0 | 0 | 0 | 0 | 13,553 |
| Corrections | 0 | 0 | 0 | 0 | 42,624 | 42,624 |
| Corrections Inf | 0 | 0 | 0 | 0 | 18,672 | 18,672 |
| Education | 44,433 | 0 | 0 | 0 | 0 | 44,433 |
| Energy | 31,173 | 0 | 0 | 0 | 0 | 31,173 |
| Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher Education | 0 | 0 | 0 | 1,320 | 5,706 | 7,026 |
| Human Services | 99,067 | 0 | 0 | 3,104 | 0 | 102,191 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor | 0 | 0 | 4,384 | 1,295 | 0 | 5,659 |
| Law | 84,211 | 0 | 0 | 0 | 0 | 84,211 |
| Legislature | 11,981 | 0 | 0 | 0 | 0 | 11,981 |
| Local Affairs | 35,238 | 0 | 0 | 3,478 | 25,366 | 64,082 |
| Local Affairs | 0 | 0 | 0 | 0 | 0 | 0 |
| Natural Resources | 69,107 | 0 | 0 | 0 | 49,076 | 118,183 |
| Personnel | 101,936 | 0 | 32,807 | 2,990 | 0 | 137,733 |
| Public Health | 0 | 0 | 0 | 3,996 | 0 | 3,996 |
| Public Safety | 63,474 | 0 | 0 | 0 | 123,904 | 187,378 |
| Reg. Agencies | 74,340 | 116,448 | 3,700 | 162 | 5,659 | 200,597 |
| Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| State | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 12,335 | 18,271 | 30,606 |
| Utilities | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Sq. Feet | 754,694 | 116,448 | 42,871 | 34,849 | 285,755 | 1,235,667 |

| Allocation of Electric & Gas Utilities by CGW Function | Electric | Gas | Total |
|--|--------------|--------|--------------|
| Personnel Services | \$173,318.37 | \$0.00 | \$173,318.37 |
| Security | \$21,351.07 | \$0.00 | \$21,351.07 |
| PP&E | \$2,884.00 | \$0.00 | \$2,884.00 |
| Workshop Comp | \$3,732.00 | \$0.00 | \$3,732.00 |
| Shift | \$21.65 | \$0.00 | \$21.65 |
| Short-term Disability | \$17,344.04 | \$0.00 | \$17,344.04 |
| Travel | \$117,384.04 | \$0.00 | \$117,384.04 |
| Subtotal | \$356,027.17 | \$0.00 | \$356,027.17 |
| Operating Expenses | \$50,394.89 | \$0.00 | \$50,394.89 |
| Repairs | \$5,272.62 | \$0.00 | \$5,272.62 |
| Risk | \$4,321.21 | \$0.00 | \$4,321.21 |
| COCC | \$0.00 | \$0.00 | \$0.00 |
| Vehicle Lease | \$0.00 | \$0.00 | \$0.00 |
| Legal Services | \$0.00 | \$0.00 | \$0.00 |
| Information | \$0.00 | \$0.00 | \$0.00 |
| Leased Space | \$0.00 | \$0.00 | \$0.00 |
| Security | \$0.00 | \$0.00 | \$0.00 |
| Administration | \$0.00 | \$0.00 | \$0.00 |
| Indirect Costs | \$0.00 | \$0.00 | \$0.00 |
| Subtotal | \$50,394.89 | \$0.00 | \$50,394.89 |
| TOTAL | \$406,422.06 | \$0.00 | \$406,422.06 |

**Attachment K-3
Assigned Useable Square Footage Incorporating Departmental Moves**

Buildings

| Department | Capitol | Centennial | State Services | Human Services | Capitol Annex | State Office Bldg | 690 Kipling | 700 Kipling | Legislative Services | 1570 Grant Street | Power Plant | Total Denver Buildings | Pierce St | North Campus | Grand Junction | Camp George West | Total All Buildings |
|------------------------------------|----------------|----------------|----------------|----------------|---------------|-------------------|---------------|---------------|----------------------|-------------------|--------------|------------------------|----------------|---------------|----------------|------------------|---------------------|
| Agriculture | | | | | | | | 13,553 | | | | 13,553 | | | | | 13,553 |
| Corrections | | | | | | | | | | | | 0 | | | | 42,624 | 42,624 |
| Correctional Industries | | | | | | | | | | | | 0 | | | | 18,672 | 18,672 |
| Education | | | 1,445 | | | 42,988 | | | | | | 44,433 | | | | | 44,433 |
| General Assembly | 90,778 | | | | | | | | 21,203 | | | 111,981 | | | | | 111,981 |
| Governor, Lt Governor & OSPB | 21,157 | | | | | | | | | | | 21,157 | | | | | 21,157 |
| Health Care Policy | | | | | | | | | | 31,512 | | 31,512 | | | | | 31,512 |
| Human Services | | | | 99,087 | | | | | | | | 99,087 | | | 3,104 | | 102,191 |
| Law | | | 92,432 | | | | | | | | | 92,432 | | | | | 92,432 |
| Local Affairs | | 33,228 | | | | | | | | | | 33,228 | | | 3,458 | 25,566 | 62,252 |
| Military Affairs | | | | | | | | | | | | 0 | | | | 49,032 | 49,032 |
| Natural Resources | | 69,107 | | | | | | | | | | 69,107 | | | | | 69,107 |
| Personnel & Administration (DPA) | | 53,507 | 2,397 | 0 | | | 27,904 | | | | | 83,808 | | 32,807 | 2,990 | | 119,605 |
| Public Health | | | | | | | | | | | | 0 | | | 3,996 | | 3,996 |
| Public Safety | 575 | | | | | | 27,007 | 33,398 | | | 2,494 | 63,474 | | | | | 125,904 |
| Regulatory Agencies | | | | | | | | | | | | 0 | | | 162 | | 162 |
| Revenue | | | | | 74,580 | | | | | | | 74,580 | 116,448 | 5,700 | | | 202,597 |
| Transportation | | | | | | | | 3,456 | | | | 3,456 | | | 12,305 | 18,251 | 34,012 |
| Treasurer | 4,379 | | | | | | | | | | | 4,379 | | | | | 4,379 |
| Labor & Employment | | | | | | | | | | | | 0 | | 4,364 | 1,295 | | 5,659 |
| CSU Forest Service | | | | | | | | | | | | 0 | | | 1,320 | 5,706 | 7,026 |
| University of Colorado | | | | | | | | | | | | 0 | | | 0 | | 0 |
| Construction-Annex Life/Safety | | | 9,254 | | | | | | | | | 9,254 | | | | | 9,254 |
| Storage | | | | | | | | | | | | 0 | | | | | 0 |
| Total Square Footage Billed | 116,889 | 155,842 | 105,528 | 99,087 | 74,580 | 42,988 | 54,911 | 50,407 | 21,203 | 31,512 | 2,494 | 755,441 | 116,448 | 42,871 | 34,499 | 285,755 | 1,235,014 |

| DPA Square Footage Reductions Resulting from DPA Move, Effective July 2005 | | | State Services |
|--|--|--|----------------|
| Basement: Auditor | | | 1,469 |
| Basement: DoIT | | | 653 |
| Basement: Maintenance* | | | 646 |
| First Floor: DoIT | | | 5,339 |
| First Floor: TMU | | | 3,915 |
| Second Floor: Controller | | | 8,221 |
| TOTAL | | | 19,597 |

* not billed, therefore the TOTAL is reduced by this amount.

The 928 sq. feet remaining after the move is DoIT's space in the Sub-Basement

| Other Programs' Increases in Square Footage Resulting from DPA Move, Effective July 2005 | | | State Services |
|--|--------|--|----------------|
| Basement: DPA - DCS | | | 1,469 |
| Basement: | vacant | | |
| Basement: | vacant | | |
| First Floor: Capitol Life Safety Project | | | 5,339 |
| First Floor: Capitol Life Safety Project | | | 3,915 |
| Second Floor: Dept of Law | | | 8,221 |
| TOTAL | | | 18,944 |

* Total remaining space available if not left vacant

653

**Attachment K-5
Capitol Complex Departmental Allocations for FY 05-06**

| | | | | | | | | | | |
|--|----|-------|----|------|----|--------|----|--------|----|------|
| FY06 Estimated Cost Per Square Foot | \$ | 10.77 | \$ | 5.40 | \$ | 3.78 | \$ | 6.40 | \$ | 1.03 |
| FY05 Cost Per Square Foot Appropriated | \$ | 10.31 | \$ | 5.37 | \$ | 3.81 | \$ | 6.43 | \$ | 0.90 |
| Difference | \$ | 0.46 | \$ | 0.03 | \$ | (0.03) | \$ | (0.03) | \$ | 0.13 |

Square Footage by Agencies

| Agencies | Denver | Pierce Street | North Campus | Grand Junction | Camp George West | Total |
|--------------------------------|----------------|----------------|---------------|----------------|------------------|------------------|
| Agriculture | 13,553 | - | - | - | - | 13,553 |
| Corrections | - | - | - | - | 42,624 | 42,624 |
| Correctional Industries | - | - | - | - | 18,672 | 18,672 |
| Education | 44,433 | - | - | - | - | 44,433 |
| General Assembly | 111,981 | - | - | - | - | 111,981 |
| Governor, Lt Governor, OSPB | 21,157 | - | - | - | - | 21,157 |
| HCPF | 31,512 | - | - | - | - | 31,512 |
| Human Services | 99,087 | - | - | 3,104 | - | 102,191 |
| Law | 92,432 | - | - | - | - | 92,432 |
| Local Affairs | 33,228 | - | - | 3,458 | 25,566 | 62,252 |
| Military Affairs | - | - | - | - | 49,032 | 49,032 |
| Natural Resources | 69,107 | - | - | - | - | 69,107 |
| Personnel & Administration | 83,808 | - | 32,807 | 2,990 | - | 119,605 |
| Public Health | - | - | - | 3,996 | - | 3,996 |
| Public Safety | 63,474 | - | - | - | 125,904 | 189,378 |
| Regulatory Agencies | - | - | - | 162 | - | 162 |
| Revenue | 74,580 | 116,448 | 5,700 | 5,869 | - | 202,597 |
| Transportation | 3,456 | - | - | 12,305 | 18,251 | 34,012 |
| Treasurer | 4,379 | - | - | - | - | 4,379 |
| Labor & Employment | - | - | 4,364 | 1,295 | - | 5,659 |
| CSU Forest Service | - | - | - | 1,320 | 5,706 | 7,026 |
| University of Colorado | - | - | - | - | - | - |
| Construction-Annex Life/Safety | 9,254 | - | - | - | - | 9,254 |
| Total | 755,441 | 116,448 | 42,871 | 34,499 | 285,755 | 1,235,014 |

FY05-06 Recommendations for Capitol Complex Leased Space Appropriations by Agencies

| Agencies | Denver | Pierce Street | North Campus | Grand Junction | Camp George West | Camp George West Utilities (Electric/Gas) | Total |
|--------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---|---------------------|
| Agriculture | \$ 145,964 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 145,964 |
| Corrections | \$ - | \$ - | \$ - | \$ - | \$ 44,115 | \$ 95,746 | \$ 139,861 |
| Correctional Industries | \$ - | \$ - | \$ - | \$ - | \$ 19,325 | \$ 21,175 | \$ 40,500 |
| Education | \$ 478,536 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 478,536 |
| General Assembly | \$ 1,206,017 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,206,017 |
| Governor, Lt Governor, OSPB | \$ 227,857 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 227,857 |
| HCPF | \$ 339,379 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 339,379 |
| Human Services | \$ 1,067,151 | \$ - | \$ - | \$ 19,857 | \$ - | \$ - | \$ 1,087,007 |
| Law | \$ 995,477 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 995,477 |
| Local Affairs | \$ 357,860 | \$ - | \$ - | \$ 22,121 | \$ 26,460 | \$ 13,739 | \$ 420,181 |
| Military Affairs | \$ - | \$ - | \$ - | \$ - | \$ 50,747 | \$ 26,304 | \$ 77,051 |
| Natural Resources | \$ 744,271 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 744,271 |
| Personnel & Administration | \$ 902,598 | \$ - | \$ 123,979 | \$ 19,127 | \$ - | \$ - | \$ 1,045,704 |
| Public Health | \$ - | \$ - | \$ - | \$ 25,563 | \$ - | \$ - | \$ 25,563 |
| Public Safety | \$ 683,604 | \$ - | \$ - | \$ - | \$ 130,307 | \$ 131,846 | \$ 945,757 |
| Regulatory Agencies | \$ - | \$ - | \$ - | \$ 1,036 | \$ - | \$ - | \$ 1,036 |
| Revenue | \$ 803,214 | \$ 629,308 | \$ 21,540 | \$ 37,545 | \$ - | \$ - | \$ 1,491,608 |
| Transportation | \$ 37,221 | \$ - | \$ - | \$ 78,716 | \$ 18,889 | \$ 24,302 | \$ 159,128 |
| Treasurer | \$ 47,161 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 47,161 |
| Labor & Employment | \$ - | \$ - | \$ 16,492 | \$ 8,284 | \$ - | \$ - | \$ 24,776 |
| CSU Forest Service | \$ - | \$ - | \$ - | \$ 8,444 | \$ 5,906 | \$ 2,249 | \$ 16,599 |
| University of Colorado | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Construction-Annex Life/Safety | \$ 99,664 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 99,664 |
| Total Billable Costs | \$ 8,135,975 | \$ 629,308 | \$ 162,011 | \$ 220,694 | \$ 295,749 | \$ 315,361 | \$ 9,759,098 |

Schedule 6

STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05 and STATEWIDE BUDGET AMENDMENT REQUEST for FY 2005-06

Department: Personnel and Administration
 Priority Number: Statewide Suppl#2, SW Budget Amendment #2
 Division: Executive Office, Division of Human Resources
 Program: Risk Management Services
 Request Title: Technical Adjustments to FY 2004-05 and FY 2005-06 Risk Management and Worker's Compensation Statewide Allocations

Dept. Approval: [Signature]
 OSPB Approval: [Signature]
 Statutory Citation:

Date: January 3, 2005
 Date: 1/3/05

Budget Analyst: Mickey Crist

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|---|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$45,950,789 | \$57,958,974 | (\$13,323,949) | \$44,635,025 | \$48,169,821 | \$0 | \$48,169,821 | (\$714,291) | \$47,455,530 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 392,548 | 529,911 | (293,721) | 236,190 | 220,772 | 0 | 220,772 | 14,739 | 235,511 | 0 |
| | CF | 3,693,309 | 4,707,131 | (969,152) | 3,737,979 | 4,937,470 | 0 | 4,937,470 | (62,513) | 4,874,957 | 0 |
| | CFE | 41,864,932 | 52,721,932 | (12,061,077) | 40,660,855 | 43,011,579 | 0 | 43,011,579 | (666,517) | 42,345,062 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Workers' Compensation | Total | \$215,265 | \$257,322 | \$8,398 | \$265,720 | \$191,801 | \$0 | \$191,801 | (\$11,711) | \$180,090 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 79,829 | 95,466 | 3,116 | 98,582 | 52,328 | | 52,328 | (3,195) | 49,133 | |
| | CF | 1,909 | 2,316 | 76 | 2,392 | 1,174 | | 1,174 | (72) | 1,102 | |
| | CFE | 133,527 | 159,540 | 5,207 | 164,747 | 138,299 | | 138,299 | (8,444) | 129,855 | |
| Executive Office, Payments to Risk Management and Property Funds | Total | \$835,260 | \$811,349 | (\$410,392) | \$400,957 | \$617,401 | \$0 | \$617,401 | \$65,734 | \$683,135 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 312,719 | 278,455 | (140,847) | 137,608 | 168,444 | | 168,444 | 17,934 | 186,378 | |
| | CF | 7,639 | 7,869 | (3,980) | 3,889 | 3,780 | | 3,780 | 402 | 4,182 | |
| | CFE | 514,902 | 525,025 | (265,565) | 259,460 | 445,177 | | 445,177 | 47,398 | 492,575 | |
| DHR, Risk Management Services, Liability Premiums | Total | \$7,125,777 | \$10,220,094 | (\$1,762,503) | \$8,457,591 | \$10,036,569 | \$0 | \$10,036,569 | (\$678,854) | \$9,357,715 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 673,864 | 1,173,267 | (202,335) | 970,932 | 680,285 | | 680,285 | (46,013) | 634,272 | |
| | CFE | 6,451,913 | 9,046,827 | (1,560,168) | 7,486,659 | 9,356,284 | | 9,356,284 | (632,841) | 8,723,443 | |
| FF | | | | | | | | | | | |

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| DHR, Risk Management Services, Property Premiums | Total | \$7,617,016 | \$11,586,965 | (\$4,736,641) | \$6,850,324 | \$6,897,582 | \$0 | \$6,897,582 | (\$255,227) | \$6,642,355 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 492,784 | 569,726 | (232,899) | 336,827 | 528,920 | | 528,920 | (19,571) | 509,349 | |
| | CFE | 7,124,232 | 11,017,239 | (4,503,742) | 6,513,497 | 6,368,662 | | 6,368,662 | (235,656) | 6,133,006 | |
| | FF | | | | | | | | | | |
| DHR, Risk Management Services, Workers' Comp Premiums | Total | \$30,157,471 | \$35,083,244 | (\$6,422,811) | \$28,660,433 | \$30,426,468 | \$0 | \$30,426,468 | \$165,766 | \$30,592,234 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | 155,990 | (155,990) | 0 | | | | | | |
| | CF | 2,517,113 | 2,953,953 | (530,013) | 2,423,940 | 3,723,311 | | 3,723,311 | 2,741 | 3,726,052 | |
| | CFE | 27,640,358 | 31,973,301 | (5,736,808) | 26,236,493 | 26,703,157 | | 26,703,157 | 163,025 | 26,866,182 | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Funds 11L, 11P & 11W

IT Request: No

Supplemental and Budget Amendment Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes - Statewide Request impacting multiple departments

**Efficiency and Effectiveness Analysis
FY 2004-05 Supplemental & FY 2005-06 Budget Amendment**

Department: Department of Personnel & Administration (DPA)
Long Bill Group/Division: Division of Human Resources (DHR)
Program: Risk Management Services
Request Title: Technical Adjustments to FY 2004-05 and FY 2005-06 Risk Management and Worker's Compensation Statewide Allocations
Request Criteria New Data
Priority Number: Statewide Supplemental #2, Statewide Budget Amendment #2

SUMMARY

The following analysis describes requested supplemental appropriations for FY 2004-05 and amended request figures in FY 2005-06 for Risk Management Services (RMS) in the Department of Personnel and Administration (DPA), including the Liability, Property and Workers' Compensation programs. Tables summarizing net payment adjustments to Risk Management Services (all programs) can be found in appendices K and L, with two-year estimated net impacts provided. In general, the adjustments reflect Colorado State University's withdrawal from the State's risk management programs (pursuant to HB04-1009), revised prospective loss estimates from private actuaries retained by the Division of Human Resources (DHR), and estimates that more accurately reflect allocated program costs (overhead) and modified reserve funding levels. The respective programmatic adjustments are briefly listed below.

Appropriations for Payments to the Risk Management and Property Fund (combined Liability and Property programs):

FY 2004-05: Statewide allocations for Payments to the Risk Management and Property Fund are *reduced* by \$9,512,212, due in part to a combined \$4,883,390 decrease to reserve targets for the Liability and Property programs. The Liability Program Premiums line is *reduced* by \$1,762,503 (to \$8,457,591) and the Property Program Premiums line is *reduced* by \$4,736,641 (to \$6,850,324).

FY 2005-06: Statewide allocations for Payments to the Risk Management and Property Fund are *increased* by \$965,381. The Liability Program Premiums line is *reduced* by \$678,854 (to \$9,357,715) and the Property Program Premiums line is *reduced* by \$255,227 (to \$6,642,355).

Appropriations for the Workers' Compensation Program:

FY 2004-05: Statewide allocations for the Workers' Compensation program are *reduced* by \$2,664,748. While Colorado State University's withdrawal results in <\$3,575,653> of the variance, this is offset by increased billings to all other participating agencies totaling \$910,905.

Contributing to the rise in agencies' allocations is a stabilizing *increase* to the Workers' Compensation Account reserve of \$3,301,736 (profit), but this is offset by negative adjustments to costs for prospective losses and decreased reserve funding. Additionally, a revised methodology for payment of claims transferred to the DPA by the Department of Human Services (DHS) results in a reduction of \$155,990 (General Fund) for the RMS.

As a result of the above adjustments, the Workers' Compensation Premiums line is *reduced* overall by \$6,422,811 (to \$28,660,433).

FY 2005-06: Statewide allocations for Workers' Compensation are *reduced* by \$1,570,849, and the Workers' Compensation Premiums line is *increased* by \$165,766 (to \$30,592,234).

PROBLEM OR OPPORTUNITY DEFINITION

As referenced above, the Department has determined that supplemental adjustments need to be made to the FY 2004-05 and FY 2005-06 statewide allocations for the Risk Management programs (Workers' Compensation, the Property Program and the Liability Program). Similar to other Common Policies that are developed by the DPA in conjunction with the OSPB, the FY 2005-06 Common Policies for Risk Management programs are developed in August for the upcoming fiscal year, and include the consideration of *estimated* total program costs. It is typical that certain information is not available at this early stage in the fiscal year and that either adjustments in the percentage allocated to agencies, updates to program costs, or both will need to occur. Also, in the case of Risk Management programs, there is typically a targeted reserve/targeted fund balance that must also be considered as a component when calculating total agency allocations/billings. Again, this is a factor that cannot be projected with 100% accuracy eight to eleven months prior to the start of the applicable fiscal year. As a result, multiple adjustments are contained in this Supplemental and Budget Amendment Request.

BACKGROUND

This request seeks to update statewide allocations and program appropriations in Risk Management Services for FY 2004-05 and FY 2005-06 to reflect the most current data and assumptions. Following is a summary of the factors leading to specific adjustments contained in the request.

The FY 2004-05 allocations for Payments to Risk Management and Property Fund (RMP - includes Property and Liability programs) and for Worker's Compensation were initially

developed by the Department and its actuarial consultant and then appropriated during the FY 2004-05 figure setting process in the spring of 2004. At that time, Colorado State University (CSU) was included in the allocations for all three programs. The Department has since been made aware of the formal intent of CSU to opt out of the Property and Workers' Compensation programs for the current fiscal year; therefore, this request seeks to revise the FY 2004-05 statewide allocations for the Property and Workers' Compensation programs to reflect this development. (Note that the FY 2005-06 Common Policies for the Property and Workers' Compensation programs, developed in August of 2004, incorporated the CSU opt out for FY 2005-06.)

For FY 2005-06, the Common Policy allocations established in August of 2004 for Worker's Compensation and the Property program included the impact of the CSU opt out of the respective programs, but the Liability program allocations included CSU. The Department has since been made aware of the formal opt out by CSU from the Liability program as well, and this component of the request will update the FY 2005-06 statewide allocations for the Liability program to reflect the impact of this new development. Further, the revised allocations for the Liability Program for FY 2005-06 include another minor changes associated with College Invest (formerly Obligation Bond Authority). College Invest has not been charged an allocation previously, making it difficult to incorporate them into the allocation methodology for the Program, which is based at least in part on claims history. In lieu of sufficient history to base the College Invest allocation on, the Department has chosen to develop the allocation for this institution relative to the entity in the program that College Invest is most similar to; namely, the Colorado Commission on Higher Education (CCHE).

The FY 2005-06 Workers' Compensation allocations, initially established as a Common Policy in August of 2004, also need to be updated to incorporate College Invest. Similar to the Liability Program, insufficient claims history necessitates an alternative method to develop an initial allocation for College Invest. The revised allocation contained in this request for Workers' Compensation for FY 2005-06 incorporates an allocation for College Invest.

Finally, the FY 2004-05 appropriation to DPA for Workers' Compensation included \$155,990 in General Fund. The General Fund represents a transfer from a Department of Human Services program related to that department's workers' compensation self-insurance program, and the final run out on 11 associated claims. The DPA has determined that it would be more appropriate to reflect it as cash funds exempt and to include it in addition to the regular proportionate DHS Workers' Compensation allocation, in accordance with the DHS targeted base review (FY 2001-02) and subsequently requested in a DHS FY 2002-03 supplemental and budget amendment. This refined methodology would result in a \$155,990 General Fund reduction for the DPA in FY 2004-05.

AVAILABLE ALTERNATIVES

Alternative #1 (Recommended) – Adjust statewide allocations and premium line appropriations according to the findings of the analysis.

Alternative #2 – Make no changes.

STATUTORY AND OTHER AUTHORITY

24-30-1501, C.R.S. provides the statutory authorization for the Risk Management Unit.

LINKAGE TO OBJECTIVES

DPA FY 2005-06 Strategic Plan:

Extend The Truth-In-Rates Philosophy Department-wide

Associated objectives included the following:

- Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services.
- Annually review and analyze all rates in coordination with applicable division management, Department Controller, CFO and Budget Director.
- Revisit and revise any outdated or inefficient rate setting and cost allocation methodologies proactively.
- Develop models to support and justify the appropriate targeted fund balance for all cash funds and implement methods necessary to maintain the fund balance(s) on an ongoing basis.

ASSESSMENT OF ALTERNATIVES

Alternative #1 (Recommended) – Assumptions and Calculations

A. Risk Management Services (RMS) Program Overhead

1. For FY 2004-05 calculations, appropriated Long Bill amounts and central appropriation allocations are used as reported in the Schedule 5(s) submitted with the FY 2005-06 budget request.
2. For FY 2005-06 calculations, requested Long Bill amounts and central appropriation allocations are used as reported in the Schedule 3 and Schedule(s) 5 submitted with the FY 2005-06 budget request.
3. The overhead allocation percentages are derived from the proportion of each programs' premium line item in comparison to the total of all premium lines. For example, the FY 2005 overhead allocation percentages are calculated as shown in the table below:

| Line Item | Total | Percent Allocation |
|--------------------------------|---------------------|--------------------|
| Liability Premiums | 8,457,591 | 19.2% |
| Property Premiums | 6,850,324 | 15.6% |
| Workers' Compensation Premiums | 28,660,433 | 65.2% |
| Total Premiums | \$43,968,347 | 100.0% |

The tables below represent the Risk Management Services (RMS) Program Overhead cost calculations for FY 2004-05 and FY 2005-06, respectively.

| FY 2004-05 Program Overhead for Allocations | Total | Liability | Property | Workers' Comp |
|---|------------------|----------------|----------------|----------------|
| Overhead Allocation % | 100.0% | 19.2% | 15.6% | 65.2% |
| Personal Services | \$558,589 | 107,448 | 87,029 | 364,112 |
| FY 2005 Pots Allocations | | | | |
| Salary Survey | 7,274 | 1,399 | 1,133 | 4,742 |
| Performance-based Pay | 4,067 | 782 | 634 | 2,651 |
| Health, Life and Dental | 21,871 | 4,207 | 3,408 | 14,256 |
| Short-term Disability | 523 | 101 | 81 | 341 |
| FY 2005 Pots Allocations Subtotal | 33,735 | 6,489 | 5,256 | 21,990 |
| Operating Expenses | 57,104 | 10,984 | 8,897 | 37,223 |
| Operating Common Policies | | | | |
| Workers' Comp | 4,050 | 779 | 631 | 2,640 |
| Payment to Risk Mgt/Property Funds | 12,771 | 2,457 | 1,990 | 8,325 |
| Capitol Complex Leased Space | 17,214 | 3,311 | 2,682 | 11,221 |
| Operating Common Policies Subtotal | 34,035 | 6,547 | 5,303 | 22,185 |
| Audit Expense | 63,120 | 12,142 | 9,834 | 41,144 |
| Indirect Costs | 172,154 | 33,115 | 26,822 | 112,217 |
| Total Program Overhead | \$918,737 | 176,725 | 143,140 | 598,872 |

| FY 2005-06 Program Overhead for Allocations | Total | Liability | Property | Workers' Comp |
|---|------------------|----------------|---------------|----------------|
| Overhead Allocation % | 100.0% | 20.1% | 14.3% | 65.6% |
| Personal Services | \$568,790 | 114,590 | 81,339 | 372,861 |
| FY 2006 Pots Allocations | | | | |
| Salary Survey | 8,587 | 1,730 | 1,228 | 5,629 |

| FY 2005-06 Program Overhead for Allocations | Total | Liability | Property | Workers' Comp |
|--|------------------|------------------|-----------------|----------------------|
| Performance-based Pay | 3,964 | 799 | 567 | 2,599 |
| Health, Life and Dental | 25,361 | 5,109 | 3,627 | 16,625 |
| Short-term Disability | 559 | 113 | 80 | 366 |
| FY 2006 Pots Allocations Subtotal | 38,471 | 7,750 | 5,501 | 25,219 |
| Operating Expenses | 57,104 | 11,504 | 8,166 | 37,434 |
| Operating Common Policies | | | | |
| Workers' Comp | 3,019 | 608 | 432 | 1,979 |
| Payment to Risk Mgt/Property Funds | 9,717 | 1,958 | 1,390 | 6,370 |
| Capitol Complex Leased Space | 12,725 | 2,564 | 1,820 | 8,342 |
| Operating Common Policies Subtotal | 25,461 | 5,129 | 3,641 | 16,691 |
| Audit Expense | 0 | 0 | 0 | 0 |
| Indirect Costs | 111,768 | 22,517 | 15,983 | 73,268 |
| Total Program Overhead | \$801,594 | 161,491 | 114,631 | 525,472 |

B. Reserve Levels of Risk Management Services Funds

The analysis regarding reserve balance levels for the Risk Management Services programs hinges on these primary assumptions:

1. A high degree of flexibility exists through regular (and emergency) budget request processes to augment or reduce allocations to agencies for Risk Management Services (RMS) programs. Should events or damages occur that require mid-fiscal year adjustments to funding levels, relatively timely action may be taken to mitigate unforeseen financial burdens on the programs. Therefore, even though relatively liberal adjustments are being recommended compared to past reserve goals for RMS funding, the Department will use annual supplemental budget processes to provide any necessary stability.
2. Regarding the Workers' Compensation and the Property programs, mechanisms exist to contain extraordinary claim levels. As required by the Colorado Department of Labor and Employment for self-funded employers, the Workers' Compensation Program annually purchases excess insurance as additional financial protection in the event of a catastrophic claim or claims. For the Property Program, the general policies have an aggregate deductible level of \$1.5 million; similarly, the terrorism policy has a per-event deductible level of \$100,000.
3. Considering these safeguards, it is suggested that reserve fund balances for the Workers' Compensation and the Property programs emulate the pattern of the self-funded benefits model, given its similar stop-loss contingencies. This calls for a stabilization reserve of

5.0% - slightly below the current 6.7% level currently targeted for the Workers' Compensation Account and a great deal less than the current estimate for the Property Program (approximately 43% for FY 2004-05).

4. Regarding the Liability Program, a higher degree of financial volatility exists, so a higher reserve level is suggested. However, some protection is still afforded through the purchase of an excess automobile policy and a crime policy. Given these factors, a targeted reserve similar to the level established in SB98-194 (16.5%) is recommended. This is approximately 12% lower than the current estimated reserve level for the program in FY 2004-05.

Based on these assumptions, the following calculations are made to determine fund reserve levels for FY 2004-05 (for added expenditure detail, see respective program budget calculations provided in sections C, D and E).

Workers' Compensation Account

The targeted reserve level of the account is 6.7% of estimated FY 2004-05 expenditures (\$2,000,000 on \$29,681,882) using the current methodology. Following the pattern of the self-funded benefits model, a continual targeted reserve level of 5.0% is recommended, resulting in a balance of \$1,484,094 for FY 2004-05 and a reduction of \$515,906. The table below outlines activities of the Account:

| Workers' Compensation Account (11W) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|------------------------------|------------------------------|---------------------------------|---------------------------------|
| <u>Assets</u> | | | | |
| Cash/Assets | 32,611,366 | 24,037,019 | 22,429,870 | 22,517,524 |
| Total Assets | 32,611,366 | 24,037,019 | 22,429,870 | 22,517,524 |
| <u>Liabilities</u> | | | | |
| Current Liabilities | 3,518,118 | 4,131,729 | 3,470,085 | 3,470,085 |
| Other Liabilities - IBNR (8/24/04 Actuarial Report) | 19,622,200 | 21,722,932 | 17,475,691 | 17,475,691 |
| Total Liabilities | 23,140,318 | 25,854,661 | 20,945,776 | 20,945,776 |
| <u>Revenues</u> | | | | |
| Agency Billing | 22,813,403 | 20,151,137 | 32,119,141 | 30,849,713 |
| Transfer from DHS (Prior Year Claim Payments) | | | 143,367 | 143,367 |
| Other Income - Interest Income, Misc. | 1,849,906 | 1,277,166 | 721,111 | 672,896 |
| Total Revenue | 24,663,309 | 21,428,303 | 32,983,618 | 31,665,977 |
| <u>Expenses</u> | | | | |
| Prospective Claim Payments and Premiums | 19,520,591 | 26,294,167 | 25,527,457 | 27,405,446 |
| Surcharge/Taxes | 438,094 | 440,254 | 414,304 | 421,761 |
| Administrative and Brokers Fees | 2,273,816 | 3,107,703 | 2,575,305 | 2,621,660 |
| DHS Prior Year Claim Payments (Actuals) | | | 143,367 | 143,367 |
| RMS Overhead (Personal Services, Operating, etc.) | 490,589 | 774,136 | 1,021,450 | 986,088 |
| Total Expenses | 22,723,090 | 30,616,260 | 29,681,882 | 31,578,323 |

| Workers' Compensation Account (11W) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|----------------------|----------------------|-------------------------|-------------------------|
| Profit/(Loss) | 1,940,219 | (9,187,957) | 3,301,736 | 87,654 |
| Ending Fund Balance | 9,471,048 | (1,817,642) | 1,484,094 | 1,571,748 |
| Revised Target Reserve (5.0% of Total Expenses) | | | 1,484,094 | 1,571,748 |
| Ending Balance Over/(Under) Target Reserve | | | 0 | 0 |
| Prior Methodology Fund Reserve Target | | | 2,000,000 | 2,000,000 |
| Decrease to Reserve Target (Revised Target - Prior Methodology) | | | (515,906) | (428,252) |
| COFRS Fund Balance (excludes IBNR) | 29,093,248 | 19,905,290 | 18,959,785 | 19,047,439 |

Property Program

The targeted reserve level of the Property Program is 42.9% of estimated FY 2004-05 expenditures (\$3,000,000 on \$6,993,464) using the current methodology. Again following the pattern of the self-funded benefits model, a continual targeted reserve level of 5.0% is recommended, resulting in a balance of \$349,673 for FY 2004-05 and a reduction of \$2,650,327. The table below outlines funding activities:

| Property Program Funding (11P) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|----------------------|----------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | | |
| Cash/Assets | 1,500,015 | 2,432,803 | (406,152) | (433,170) |
| Pre-paid Premiums | | 1,105,393 | 844,113 | 859,307 |
| Total Assets | 1,500,015 | 3,538,196 | 437,961 | 426,137 |
| <u>Liabilities</u> | | | | |
| Current Liabilities | 533,369 | 231,782 | 88,288 | 88,288 |
| Total Liabilities | 533,369 | 231,782 | 88,288 | 88,288 |
| <u>Revenues</u> | | | | |
| Agency Billing | 5,599,847 | 10,020,650 | 3,741,252 | 6,538,153 |
| Flood Zone 'A' Billing | | | 189,326 | 193,870 |
| Other Income - Interest Income, Misc. | 112,662 | 53,139 | 106,146 | 13,139 |
| Total Revenue | 5,712,509 | 10,073,789 | 4,036,724 | 6,745,161 |
| <u>Expenses</u> | | | | |
| Premiums, Fund Caps, Service Fees | 5,958,000 | 7,597,191 | 6,660,998 | 6,448,485 |
| Flood Zone 'A' Premiums | | | 189,326 | 193,870 |
| RMS Overhead (Personal Services, Operating, etc.) | 115,626 | 116,644 | 143,140 | 114,631 |
| Total Expenses | 6,073,626 | 7,713,835 | 6,993,464 | 6,756,985 |
| Profit/(Loss) | (361,117) | 2,359,954 | (2,956,741) | (11,824) |

| Property Program Funding (11P) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|----------------------|----------------------|-------------------------|-------------------------|
| Ending Fund Balance | 966,646 | 3,306,414 | 349,673 | 337,849 |
| Revised Target Reserve (5.0% of Total Expenses) | | | 349,673 | 337,849 |
| Ending Balance Over/(Under) Target Reserve | | | 0 | 0 |
| Prior Methodology Fund Reserve Target | | | 3,000,000 | 3,000,000 |
| Decrease to Reserve Target (Revised Target - Prior Methodology) | | | (2,650,327) | (2,662,151) |

Liability Program

The targeted reserve level of the Liability Program is 28.3% of estimated FY 2004-05 expenditures (\$3,000,000 on \$10,595,935) using the current methodology. Applying the limit established in SB98-194, a continual targeted reserve level of 16.5% is recommended, resulting in a balance of \$1,748,329 for FY 2004-05 and a reduction of \$1,251,671. The table below outlines funding activities:

| Liability Program Funding (11L) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|----------------------|----------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | | |
| Cash/Assets | 9,635,960 | 10,167,205 | 8,471,205 | 8,435,151 |
| Total Assets | 9,635,960 | 10,167,205 | 8,471,205 | 8,435,151 |
| <u>Liabilities</u> | | | | |
| Current Liabilities | 283,789 | 233,550 | 464,199 | 450,771 |
| Other Liabilities - IBNR (11/17/04 Actuarial Report) | 6,532,674 | 6,258,677 | 6,258,677 | 6,077,630 |
| Total Liabilities | 6,816,463 | 6,492,227 | 6,722,876 | 6,528,401 |
| <u>Revenues</u> | | | | |
| Agency Billing | 7,515,094 | 9,618,165 | 8,364,270 | 11,460,351 |
| Other Income - Interest Income, Misc. | 570,685 | 362,801 | 305,016 | 254,136 |
| Total Revenue | 8,085,779 | 9,980,966 | 8,669,286 | 11,714,487 |
| <u>Expenses</u> | | | | |
| Claim Payments, Premiums, Service Fees | 7,456,916 | 5,650,223 | 8,457,591 | 9,357,715 |
| Legal Services | 2,187,342 | 3,512,430 | 1,961,620 | 2,036,860 |
| RMS Overhead (Personal Services, Operating, etc.) | 230,567 | 236,828 | 176,725 | 161,491 |
| Total Expenses | 9,874,824 | 9,399,481 | 10,595,935 | 11,556,066 |
| Profit/(Loss) | (1,789,045) | 581,486 | (1,926,649) | 158,422 |
| Ending Fund Balance | 2,819,497 | 3,674,979 | 1,748,329 | 1,906,751 |
| Revised Target Reserve (16.5% of Total Expenses) | | | 1,748,329 | 1,906,751 |
| Ending Balance Over/(Under) Target Reserve | | | 0 | 0 |

| Liability Program Funding (11L) | Actual FY 2002-03 | Actual FY 2003-04 | Estimated FY 2004-05 | Requested FY 2005-06 |
|---|----------------------|----------------------|-------------------------|-------------------------|
| Prior Methodology Fund Reserve Target | | | 3,000,000 | 3,000,000 |
| Decrease to Reserve Target (Revised Target - Prior Methodology) | | | (1,251,671) | (1,093,249) |
| COFRS Fund Balance (excludes IBNR) | | | 10,219,534 | 10,341,902 |

C. Liability Program Budget Calculations

The tables below represent the Liability Program cost calculations for FY 2004-05 and FY 2005-06, respectively. Assumptions for these calculations are provided in the 'Notes' column. *Note that for all calculations in all programs that follow, CPI increases for FY 2005-06 are estimated to be 1.8% (per OSPB's December 2004 "Colorado Economic Perspective") and denoted with 'CPI*'.*

| FY 2004-05 Liability Program Costs | Total | Notes |
|--|--------------------|---|
| Program Overhead Expenses | \$176,725 | Calculated as 19.2% of the total |
| Premium Line Expenses | | |
| Prospective Losses Estimate | 7,835,774 | 11/17/04 Actuarial Report (p. 5) |
| Excess Auto | 480,745 | FY05 Estimated renewal |
| Crime Policy | 47,542 | FY05 Estimated renewal |
| Actuarial Services | 23,500 | FY05 Projected professional services costs |
| Broker Service Fees | 43,805 | FY05 Estimated renewal |
| RMIS Service Fees | 26,225 | FY05 Estimated renewal |
| Premium Line Expenses subtotal | 8,457,591 | |
| Legal Services | 1,961,620 | Per FY05 Long Bill |
| Reserve Stabilization Allowance | (2,231,666) | Maintains 16.5% Fund Reserve Balance |
| Total Liability Allocations | \$8,364,270 | Agency billings equal allocated assessments |

| FY 2005-06 Liability Program Costs | Total | Notes |
|------------------------------------|------------------|---|
| Program Overhead Expenses | \$161,491 | Calculated as 20.1% of the total |
| Premium Line Expenses | | |
| Prospective Losses Estimate | 8,724,706 | 11/17/04 Actuarial Report (p. 5) |
| Excess Auto | 489,398 | FY05 Estimated renewal + CPI* |
| Crime Policy | 48,398 | FY05 Estimated renewal + CPI* |
| Actuarial Services | 23,923 | FY05 projected professional services costs + CPI* |
| Broker Service Fees | 44,593 | FY05 Estimated renewal + CPI* |
| RMIS Service Fees | 26,697 | FY05 Estimated renewal + CPI* |

| FY 2005-06 Liability Program Costs | Total | Notes |
|------------------------------------|--------------|---|
| Premium Line Expenses subtotal | 9,357,715 | |
| Legal Services | 2,036,860 | Per FY06 Request |
| Reserve Stabilization Allowance | (95,715) | Maintains 16.5% Fund Reserve Balance |
| Total Liability Allocations | \$11,460,351 | Agency billings equal allocated assessments |

D. Property Program Budget Calculations

The tables below represent the Property Program cost calculations for FY 2004-05 and FY 2005-06, respectively. Assumptions for these calculations are provided in the 'Notes' column.

| FY 2004-05 Property Program Costs | Total | Notes |
|-----------------------------------|-------------|---|
| Program Overhead Expenses | \$143,140 | Calculated as 15.6% of the total |
| Premium Line Expenses | | |
| Property & Boiler Policies | 4,154,556 | FY05 Estimated renewal |
| Terrorism Premium | 859,804 | FY05 Estimated renewal |
| Flood Zone A Premiums | 189,326 | Estimate as of 11/23/04 |
| Service Fees | 146,638 | FY05 Estimated renewal |
| Program Fund Caps | 1,500,000 | Aggregate Deductibles |
| Premium Line Expenses subtotal | 6,850,324 | |
| Reserve Stabilization Allowance | (3,062,887) | Maintains 5% Fund Reserve Balance |
| Total Property Allocations | \$3,930,578 | Agency billings equal allocated assessments |

| FY 2005-06 Property Program Costs | Total | Notes |
|-----------------------------------|-------------|---|
| Program Overhead Expenses | \$114,631 | Calculated as 14.3% of the total |
| Premium Line Expenses | | |
| Property & Boiler Policies | 3,952,476 | FY05 Estimated renewal + CPI* |
| Terrorism Premium | 845,094 | FY05 Estimated renewal + CPI* |
| Flood Zone A Premiums | 193,870 | FY05 Estimated renewal + CPI* |
| Service Fees | 150,915 | FY05 Estimated renewal + CPI* |
| Program Fund Caps | 1,500,000 | Aggregate Deductibles |
| Premium Line Expenses subtotal | 6,642,355 | |
| Reserve Stabilization Allowance | (24,963) | Maintains 5% Fund Reserve Balance |
| Total Property Allocations | \$6,732,023 | Agency billings equal allocated assessments |

E. Workers' Compensation Program Budget Calculations

The tables below represent the Workers' Compensation Program cost calculations for FY 2004-05 and FY 2005-06, respectively. Assumptions for these calculations are provided in the 'Notes' column.

| FY 2004-05 Workers' Compensation Costs | Total | Notes |
|--|---------------------|--|
| Program Overhead Expenses | \$598,872 | Calculated as 65.2% of the total |
| Premium Line Expenses | | |
| Prospective Claims Payout | 25,156,627 | 8/24/04 Actuarial Report (p. 5) |
| DHS Prior Year Claim Payments (Actuals) | 143,367 | Refined Payment Methodology |
| Excess Policy | 370,830 | FY05 Estimated renewal |
| Admin Fee | 2,508,000 | Based on FY04 claim experience |
| Surcharge/Tax | 414,304 | FY05 Estimate |
| Actuarial Services | 23,500 | FY05 Projected professional services costs |
| Broker Service Fees | 43,805 | FY05 Estimated renewal |
| Premium Line Expenses subtotal | 28,660,433 | |
| C-SEAP Funding | 422,578 | Per FY05 Long Bill (Base, Pots, Common Policies) |
| Reserve Stabilization Allowance | 2,580,625 | Maintains 5% Fund Reserve Balance |
| Total Workers' Compensation Allocations | \$32,262,508 | Agency billings equal allocated assessments |

| FY 2005-06 Workers' Compensation Costs | Total | Notes |
|--|-------------------|--|
| Program Overhead Expenses | \$525,472 | Calculated as 65.6% of the total |
| Premium Line Expenses | | |
| Prospective Claims Payout | 27,027,941 | 8/24/04 Actuarial Report (p. 5) |
| DHS Prior Year Claim Payments (Estimate) | 143,367 | Revision as needed for FY 2006 |
| Excess Policy | 377,505 | FY05 Estimated renewal + CPI* |
| Admin Fee | 2,553,144 | FY05 Estimated experience + CPI* |
| Surcharge/Tax | 421,761 | FY05 Estimated renewal + CPI* |
| Actuarial Services | 23,923 | FY05 Estimated renewal + CPI* |
| Broker Service Fees | 44,593 | FY05 Estimated renewal + CPI* |
| Premium Line Expenses subtotal | 30,592,234 | |
| C-SEAP Funding | 460,616 | Per FY06 Request (Base, Pots, Common Policies) |
| Reserve Stabilization Allowance | (585,242) | Maintains 5% Fund Reserve Balance |

| FY 2005-06 Workers' Compensation Costs | Total | Notes |
|--|---------------------|---|
| | | |
| Total Workers' Compensation Allocations | \$30,993,080 | Agency billings equal allocated assessments |

F. C-SEAP Funding Related to the Workers' Compensation Program

1. Pursuant to Section 24-50-604 (1) (k) (IV) C.R.S., the Colorado State Employees Assistance Program (C-SEAP) may be funded from (but not limited to) the Risk Management Fund. As such, C-SEAP funding is incorporated within the Workers' Compensation Program billing allocations
2. For FY 2004-05 C-SEAP calculations, appropriated Long Bill amounts and central appropriation allocations are used as reported in the Schedule 5(s) submitted with the FY 2005-06 budget request.
3. For FY 2005-06 C-SEAP calculations, requested Long Bill amounts and central appropriation allocations are used as reported in the Schedule 3 and Schedule(s) 5 submitted with the FY 2005-06 budget request.

The tables below represent C-SEAP Funding cost calculations for FY 2004-05 and FY 2005-06, respectively.

| Calculation of FY 2004-05 CSEAP Funding Request | |
|---|------------------|
| Personal Services | \$273,045 |
| FY 2005 Pots Allocations | |
| Salary Survey | 5,096 |
| Performance-based Pay | 4,700 |
| Health, Life and Dental | 13,112 |
| Short-term Disability | 368 |
| FY 2005 Pots Allocations Subtotal | 23,276 |
| Operating Expenses | 37,233 |
| Operating Common Policies | |
| Workers' Comp | 2,025 |
| Payment to Risk Mgt/Property Funds | 6,385 |
| Leased Space | 49,372 |
| Operating Common Policies Subtotal | 57,782 |
| Indirect Costs | 68,475 |
| Total | \$422,578 |

| Calculation of FY 2005-06 CSEAP Funding Request | |
|---|------------------|
| Personal Services | \$282,275 |
| FY 2006 Pots Allocations | |
| Salary Survey | 5,587 |
| Performance-based Pay | 2,778 |
| Health, Life and Dental | 14,533 |
| Short-term Disability | 391 |
| FY 2006 Pots Allocations Subtotal | |
| Operating Expenses | 37,233 |
| Operating Common Policies | |
| Workers' Comp | 1,509 |
| Payment to Risk Mgt/Property Funds | 4,859 |
| Leased Space | 55,859 |
| Operating Common Policies Subtotal | |
| Indirect Costs | 55,592 |
| Total | \$460,616 |

G. Refined Methodology for Payment of Transferred Claims

The Department has determined that the most efficient mechanism to address the costs for the DHS workers' compensation claims (transferred via a DHS Decision Item in the FY 2003-04 budget cycle to the DPA) is through a cash funds exempt appropriation to the Department and a corresponding allocation to the DHS. This methodology concurs with the preferred alternative of the DHS targeted base review performed in FY 2001-02 and the subsequent DHS supplemental and budget amendment requests, stated, in part, as:

Alternative #3:

Request that SRM [State Risk Management] incorporate the remaining liability of the DOI Self-insured program into the State Self-insured program and:

- Add these claims into their own tail policy process.
- Add the additional cost incurred for DOI Self-Insured into the annual allocation process for CDHS by SRM.

(- from the FY 2001-02 DHS Targeted Base Review entitled "Workers' Compensation Self-Insured Program," p. T-1-1).

The allocation method for these claims will be based upon actual prior year claim payments made by the DPA and billable in arrears (e.g., \$143,367 actual claims paid in FY 2003-04, billable in FY 2004-05) as part of the annual allocation process for DHS. This will be payable in addition to (and separate from) the regular common policy share of Workers' Compensation allocations. Since it is assumed that DHS will request this portion of their allocation as General Fund, the use of actual and quantifiable claims costs will ensure that the appropriation does not unnecessarily exceed the real need.

For FY 2005-06, the DPA assumes a similar level of claims payments (\$143,367) and applies this as an estimate for budget planning purposes. When actual FY 2004-05 claims figures become available, appropriate adjustments to this estimated allocation will be requested through the FY 2005-06 supplemental process.

H. Revised Allocations for Risk Management

The following appendices provide revised allocations for Risk Management Services along with the funding impacts related to supplemental appropriations for FY 2004-05 and amended request figures for FY 2005-06. Alternative #1 is quantified in columns entitled "Revised \$ Allocation," while Alternative #2 (Make no changes) is quantified in columns entitled "Old \$ Allocation."

| Appendix | Title |
|----------|---|
| A | Liability Program - State Agency Allocations |
| B | Liability Program - Higher Education Subgroup Allocations |
| C | FY 2004-05 Property Program Supplemental - State Agency Allocations |

| Appendix | Title |
|----------|--|
| D | FY 2004-05 Property Program Supplemental - Higher Education Subgroup Allocations |
| E | FY 2005-06 Property Program Budget Amendment - State Agency Allocations |
| F | FY 2005-06 Property Program Budget Amendment - Higher Education Subgroup Allocations |
| G | Payments to Risk Management and Property Funds (Combined Property and Liability) - State Agency Allocations |
| H | Payments to Risk Management and Property Funds (Combined Property and Liability) - Higher Education Subgroup Allocations |
| I | Workers' Compensation - State Agency Allocations |
| J | Workers' Compensation - Higher Education Subgroup Allocations |
| K | Net Payment Adjustments to Risk Management Services (All Programs) - State Agency Allocations |
| L | Net Payment Adjustments to Risk Management Services (All Programs) - Higher Education Subgroup Allocations |
| M | Flood Zone 'A' Locations and Premiums |
| N | Agency and School Codes |

CONCERNS OR UNCERTAINTIES

None identified at this time.

CONCLUSION/RECOMMENDATION

The Department recommends the identified program and allocation adjustments for FY 2004-05 and FY 2005-06 as indicated in Alternative #1. This course of action will result in possible General Fund cost avoidance since statewide allocations will be more accurately aligned with revised programmatic expenses and decreased reserve funding levels. Additionally, the fund reserve shortfall in the Workers' Compensation Account will be alleviated.

Appendix A: Liability - State Agency Allocations

| Agency | Code | FY 2004-05 Supplemental | | | | FY 2005-06 Budget Amendment | | | |
|--------------------------|-----------|-------------------------|-----------------------|-------------------|----------------------|-----------------------------|-----------------------|-------------------|----------------------|
| | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) |
| Agriculture | AG | 1.329% | 111,143 | 130,887 | (19,744) | 1.724% | 197,546 | 182,395 | 15,151 |
| Corrections | CO | 26.961% | 2,255,094 | 2,407,190 | (152,097) | 29.914% | 3,428,219 | 2,285,801 | 1,142,419 |
| Education | ED | 0.130% | 10,882 | 7,999 | 2,884 | 0.068% | 7,747 | 6,025 | 1,721 |
| Governor | EX | 0.661% | 55,316 | 65,142 | (9,826) | 0.858% | 98,318 | 90,814 | 7,504 |
| Pers & Admin (DPA) | GS | 1.029% | 86,076 | 142,701 | (56,625) | 1.206% | 138,203 | 120,830 | 17,373 |
| Health Care Policy | HC | 0.703% | 58,795 | 67,493 | (8,698) | 0.570% | 65,366 | 52,144 | 13,222 |
| Higher Education | HE | 15.178% | 1,269,506 | 1,694,472 | (424,966) | 10.632% | 1,218,442 | 1,655,579 | (437,137) |
| Transportation | HI | 23.464% | 1,962,567 | 2,751,264 | (788,697) | 23.250% | 2,664,556 | 2,711,609 | (47,053) |
| Human Services | HS | 12.703% | 1,062,490 | 1,250,175 | (187,686) | 14.684% | 1,682,839 | 1,742,340 | (59,500) |
| Judicial | JD | 3.489% | 291,848 | 555,263 | (263,415) | 5.272% | 604,174 | 673,493 | (69,319) |
| Labor & Emp. | LA | 1.536% | 128,446 | 82,258 | 46,188 | 1.083% | 124,060 | 114,586 | 9,474 |
| Legislature | LE | 0.028% | 2,383 | 2,807 | (423) | 0.037% | 4,236 | 3,944 | 293 |
| Local Affairs | LO | 0.361% | 30,201 | 35,536 | (5,335) | 0.297% | 34,028 | 26,620 | 7,408 |
| Law Dept | LW | 0.871% | 72,882 | 100,889 | (28,007) | 0.853% | 97,710 | 111,628 | (13,919) |
| Military Affairs | MA | 0.519% | 43,398 | 51,064 | (7,666) | 0.427% | 48,897 | 39,656 | 9,241 |
| Nat. Resources | NR | 2.902% | 242,713 | 215,687 | 27,025 | 2.301% | 263,663 | 279,015 | (15,353) |
| Public Health | PH | 0.391% | 32,723 | 40,428 | (7,706) | 0.342% | 39,154 | 41,737 | (2,583) |
| Public Safety | PS | 4.969% | 415,638 | 345,584 | 70,054 | 4.128% | 473,074 | 481,677 | (8,603) |
| Reg. Agencies | RG | 0.873% | 73,046 | 85,949 | (12,903) | 0.718% | 82,302 | 104,617 | (22,315) |
| Revenue | RV | 1.769% | 147,952 | 174,958 | (27,006) | 1.479% | 169,444 | 220,846 | (51,402) |
| Secretary of State | ST | 0.125% | 10,481 | 11,534 | (1,054) | 0.154% | 17,594 | 8,654 | 8,940 |
| Treasury | TR | 0.008% | 692 | 814 | (122) | 0.007% | 779 | 657 | 122 |
| Allocation Totals | | 100.000% | 8,364,270 | 10,220,095 | (1,855,825) | 100.000% | 11,460,351 | 10,954,667 | 505,684 |

Appendix B: Liability - Higher Education Subgroup Allocations

| School/Agency | Code | FY 2004-05 Supplemental | | | | FY 2005-06 Budget Amendment | | | |
|----------------------------|------|-------------------------|-----------------------|-------------------|----------------------|-----------------------------|-----------------------|-------------------|----------------------|
| | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) |
| Arapahoe | AR | 3.613% | 45,873 | 55,167 | (9,294) | 6.127% | 74,658 | 56,290 | 18,368 |
| Adams | AS | 1.428% | 18,135 | 27,471 | (9,336) | 2.080% | 25,345 | 24,171 | 1,174 |
| Auraria | AU | 3.096% | 39,305 | 64,645 | (25,340) | 5.053% | 61,564 | 56,952 | 4,612 |
| State Board of Agriculture | BA | 0.183% | 2,318 | 3,093 | (775) | 0.333% | 4,056 | 4,305 | (249) |
| Aurora CC | CA | 2.049% | 26,009 | 36,718 | (10,709) | 2.655% | 32,347 | 32,284 | 64 |
| Denver CC | CD | 0.119% | 1,516 | 2,140 | (624) | 0.155% | 1,885 | 2,483 | (598) |
| College Invest | IN | 0.025% | 315 | 0 | 315 | 0.083% | 1,015 | 0 | 1,015 |
| CSU | CS | 30.222% | 383,671 | 450,678 | (67,006) | 0.000% | 0 | 493,694 | (493,694) |
| Fort Lewis | FL | 1.414% | 17,948 | 16,571 | 1,377 | 1.703% | 20,745 | 22,681 | (1,936) |
| Front Range | FR | 0.551% | 6,993 | 9,872 | (2,879) | 0.714% | 8,697 | 9,933 | (1,236) |
| College Access Network | AN | 3.966% | 50,345 | 71,073 | (20,728) | 5.139% | 62,614 | 62,581 | 33 |
| CCHE w/ Arts & Hum (AH) | HE | 0.042% | 531 | 988 | (457) | 0.099% | 1,203 | 1,159 | 44 |
| Historical Society | HS | 0.067% | 845 | 1,724 | (879) | 0.185% | 2,260 | 2,318 | (58) |
| Lamar | LA | 0.143% | 1,813 | 2,312 | (499) | 0.190% | 2,316 | 1,987 | 329 |
| Metropolitan | ME | 12.036% | 152,799 | 215,710 | (62,911) | 15.786% | 192,340 | 189,729 | 2,611 |
| School of Mines | MI | 10.575% | 134,248 | 189,521 | (55,273) | 13.703% | 166,963 | 166,717 | 246 |
| Morgan | MO | 0.018% | 232 | 310 | (78) | 0.033% | 406 | 497 | (91) |
| Mesa | MS | 2.032% | 25,803 | 38,630 | (12,827) | 4.157% | 50,648 | 36,919 | 13,728 |
| Northeastern JC | NE | 0.031% | 391 | 522 | (131) | 0.056% | 685 | 497 | 188 |
| UNC | NO | 15.502% | 196,794 | 277,819 | (81,025) | 20.087% | 244,751 | 244,363 | 387 |
| Northwestern JC | NW | 0.020% | 250 | 333 | (84) | 0.036% | 437 | 497 | (59) |
| CCCOES Admin | OE | 0.031% | 391 | 522 | (131) | 0.056% | 685 | 662 | 22 |
| Otero | OT | 0.107% | 1,352 | 2,760 | (1,407) | 0.297% | 3,618 | 3,808 | (189) |
| Pikes Peak | PP | 3.730% | 47,358 | 66,646 | (19,288) | 6.663% | 81,190 | 58,607 | 22,583 |
| Occup Educ | PS | 0.081% | 1,024 | 1,446 | (422) | 0.105% | 1,274 | 1,324 | (51) |
| Pueblo | PV | 0.125% | 1,593 | 3,251 | (1,658) | 0.350% | 4,262 | 4,470 | (208) |
| Red Rocks | RR | 1.276% | 16,199 | 22,869 | (6,670) | 1.653% | 20,147 | 20,198 | (51) |
| USC | SC | 4.908% | 62,303 | 83,148 | (20,845) | 8.947% | 109,016 | 113,738 | (4,723) |
| Trinidad | TR | 0.340% | 4,310 | 7,817 | (3,507) | 0.611% | 7,445 | 6,953 | 491 |
| Trustees Admin | TS | 0.130% | 1,646 | 2,324 | (678) | 0.168% | 2,047 | 1,987 | 61 |
| Western | WS | 2.142% | 27,195 | 38,392 | (11,197) | 2.776% | 33,822 | 33,774 | 48 |
| Allocation Totals | | 100.00% | 1,269,506 | 1,694,472 | (424,966) | 100.00% | 1,218,442 | 1,655,579 | (437,137) |

Appendix C: FY 2004-05 Property Program Supplemental - State Agency Allocations

| Agency | Code | Building & Contents Value | General Share of Allocations | | | | Flood Zone A Premiums | | | Total Revised \$ Allocation |
|--------------------------|-----------|---------------------------|------------------------------|-----------------------|-------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------------|
| | | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Agriculture | AG | 82,424,523 | 1.175% | 43,965 | 95,198 | (51,233) | 0 | 0 | 0 | 43,965 |
| Corrections | CO | 924,866,684 | 13.186% | 493,317 | 1,306,044 | (812,727) | 0 | 0 | 0 | 493,317 |
| Education | ED | 95,390,247 | 1.360% | 50,880 | 113,710 | (62,830) | 0 | 0 | 0 | 50,880 |
| Governor | EX | 503,417 | 0.007% | 269 | 605 | (337) | 0 | 0 | 0 | 269 |
| Pers & Admin (DPA) | GS | 576,476,510 | 8.219% | 307,488 | 668,648 | (361,160) | 7,393 | 0 | 7,393 | 314,881 |
| Health Care Policy | HC | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher Education | HE | 3,808,363,594 | 54.296% | 2,031,353 | 7,286,241 | (5,254,888) | 31,685 | 0 | 31,685 | 2,063,038 |
| Transportation | HI | 329,659,035 | 4.700% | 175,838 | 366,049 | (190,211) | 48,008 | 235,000 | (186,992) | 223,846 |
| Human Services | HS | 600,625,907 | 8.563% | 320,369 | 684,266 | (363,896) | 0 | 0 | 0 | 320,369 |
| Judicial | JD | 44,143,498 | 0.629% | 23,546 | 51,381 | (27,835) | 0 | 0 | 0 | 23,546 |
| Labor & Emp. | LA | 40,609,695 | 0.579% | 21,661 | 47,697 | (26,036) | 0 | 5,000 | (5,000) | 21,661 |
| Legislature | LE | 3,838,155 | 0.055% | 2,047 | 4,616 | (2,568) | 0 | 0 | 0 | 2,047 |
| Local Affairs | LO | 7,195,542 | 0.103% | 3,838 | 8,653 | (4,815) | 0 | 0 | 0 | 3,838 |
| Law Dept | LW | 4,093,656 | 0.058% | 2,184 | 4,596 | (2,413) | 0 | 0 | 0 | 2,184 |
| Military Affairs | MA | 64,432,439 | 0.919% | 34,368 | 74,727 | (40,359) | 571 | 0 | 571 | 34,939 |
| Nat. Resources | NR | 257,357,506 | 3.669% | 137,273 | 290,679 | (153,406) | 78,630 | 100,000 | (21,370) | 215,903 |
| Public Health | PH | 38,717,982 | 0.552% | 20,652 | 45,866 | (25,214) | 6,160 | 10,000 | (3,840) | 26,812 |
| Public Safety | PS | 74,612,405 | 1.064% | 39,798 | 86,608 | (46,810) | 13,056 | 25,000 | (11,944) | 52,854 |
| Reg. Agencies | RG | 8,277,000 | 0.118% | 4,415 | 9,628 | (5,213) | 0 | 0 | 0 | 4,415 |
| Revenue | RV | 46,790,078 | 0.667% | 24,957 | 55,201 | (30,243) | 3,823 | 4,712 | (889) | 28,780 |
| Secretary of State | ST | 5,500,000 | 0.078% | 2,934 | 6,614 | (3,680) | 0 | 0 | 0 | 2,934 |
| Treasury | TR | 189,900 | 0.003% | 101 | 228 | (127) | 0 | 0 | 0 | 101 |
| Allocation Totals | | 7,014,067,773 | 100.000% | 3,741,252 | 11,207,253 | (7,466,002) | 189,326 | 379,712 | (190,386) | 3,930,578 |

Appendix D: FY 2004-05 Property Program Supplemental - Higher Education Subgroup Allocations

| Agency | Code | Building & Contents Value | General Share of Allocations | | | | Flood Zone A Premiums | | | Total Revised \$ Allocation |
|--------------------------|------|---------------------------|------------------------------|-----------------------|-------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------------|
| | | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Arapahoe | AR | 89,280,500 | 2.344% | 47,622 | 105,139 | (57,517) | 884 | 0 | 884 | 48,506 |
| Adams | AS | 258,324,201 | 6.783% | 137,788 | 299,957 | (162,169) | 0 | 0 | 0 | 137,788 |
| Auraria | AU | 436,038,250 | 11.449% | 232,580 | 503,401 | (270,822) | 20,974 | 0 | 20,974 | 253,554 |
| Aurora CC | CA | 9,138,316 | 0.240% | 4,874 | 10,946 | (6,072) | 0 | 0 | 0 | 4,874 |
| Denver CC | CD | 8,476,029 | 0.223% | 4,521 | 10,655 | (6,134) | 0 | 0 | 0 | 4,521 |
| College Invest | IN | 550,000 | 0.014% | 293 | 0 | 293 | 0 | 0 | 0 | 293 |
| CSU | CS | 0 | 0.000% | 0 | 2,540,164 | (2,540,164) | 0 | 0 | 0 | 0 |
| Fort Lewis | FL | 172,423,230 | 4.527% | 91,969 | 209,305 | (117,336) | 0 | 0 | 0 | 91,969 |
| Front Range | FR | 147,814,507 | 3.881% | 78,843 | 170,378 | (91,535) | 0 | 0 | 0 | 78,843 |
| College Access Network | AN | 20,718,960 | 0.544% | 11,051 | 22,416 | (11,365) | 0 | 0 | 0 | 11,051 |
| CCHE w/ Arts & Hum (AH) | HE | 593,490 | 0.016% | 317 | 616 | (300) | 0 | 0 | 0 | 317 |
| Historical Society | HS | 28,621,038 | 0.752% | 15,266 | 32,507 | (17,240) | 0 | 0 | 0 | 15,266 |
| Lamar | LA | 40,971,553 | 1.076% | 21,854 | 49,889 | (28,035) | 0 | 0 | 0 | 21,854 |
| Metropolitan | ME | 14,839,711 | 0.390% | 7,915 | 14,071 | (6,156) | 0 | 0 | 0 | 7,915 |
| School of Mines | MI | 518,346,019 | 13.611% | 276,482 | 604,135 | (327,653) | 0 | 0 | 0 | 276,482 |
| Morgan | MO | 16,050,990 | 0.421% | 8,561 | 18,582 | (10,020) | 0 | 0 | 0 | 8,561 |
| Mesa | MS | 272,880,327 | 7.165% | 145,552 | 321,302 | (175,750) | 0 | 0 | 0 | 145,552 |
| Northeastern JC | NE | 76,400,401 | 2.006% | 40,751 | 89,626 | (48,874) | 0 | 0 | 0 | 40,751 |
| UNC | NO | 724,468,447 | 19.023% | 386,426 | 828,755 | (442,329) | 0 | 0 | 0 | 386,426 |
| Northwestern JC | NW | 48,237,672 | 1.267% | 25,730 | 61,026 | (35,297) | 5,804 | 0 | 5,804 | 31,534 |
| CCCOES Admin | OE | 103,816,568 | 2.726% | 55,375 | 119,292 | (63,918) | 0 | 0 | 0 | 55,375 |
| Otero | OT | 56,461,594 | 1.483% | 30,116 | 64,176 | (34,060) | 0 | 0 | 0 | 30,116 |
| Pikes Peak | PP | 111,654,561 | 2.932% | 59,556 | 126,642 | (67,086) | 0 | 0 | 0 | 59,556 |
| Pueblo | PV | 73,790,721 | 1.938% | 39,359 | 91,995 | (52,636) | 0 | 0 | 0 | 39,359 |
| Red Rocks | RR | 76,240,020 | 2.002% | 40,666 | 88,139 | (47,473) | 4,023 | 0 | 4,023 | 44,689 |
| USC | SC | 172,336,853 | 4.525% | 91,923 | 471,221 | (379,297) | 0 | 0 | 0 | 91,923 |
| Trinidad | TR | 92,309,356 | 2.424% | 49,237 | 107,591 | (58,353) | 0 | 0 | 0 | 49,237 |
| Trustees Admin | TS | 110,000 | 0.003% | 59 | 132 | (74) | 0 | 0 | 0 | 59 |
| Western | WS | 237,470,281 | 6.235% | 126,665 | 324,182 | (197,517) | 0 | 0 | 0 | 126,665 |
| Allocation Totals | | 3,808,363,594 | 100.000% | 2,031,353 | 7,286,241 | (5,254,888) | 31,685 | 0 | 31,685 | 2,063,038 |

Appendix E: FY 2005-06 Property Program Budget Amendment - State Agency Allocations

| Agency | Code | Building & Contents Value | General Share of Allocations | | | | Flood Zone A Premiums | | | Total Revised \$ Allocation |
|--------------------------|-----------|---------------------------|------------------------------|-----------------------|-------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------------|
| | | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Agriculture | AG | 82,424,523 | 1.175% | 76,832 | 69,478 | 7,354 | 0 | 0 | 0 | 76,832 |
| Corrections | CO | 924,866,684 | 13.186% | 862,113 | 779,592 | 82,521 | 0 | 5,805 | (5,805) | 862,113 |
| Education | ED | 95,390,247 | 1.360% | 88,918 | 80,407 | 8,511 | 0 | 0 | 0 | 88,918 |
| Governor | EX | 503,417 | 0.007% | 469 | 424 | 45 | 0 | 0 | 0 | 469 |
| Pers & Admin (DPA) | GS | 576,476,510 | 8.219% | 537,362 | 485,926 | 51,436 | 7,570 | 10,646 | (3,075) | 544,932 |
| Health Care Policy | HC | 0 | 0.000% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher Education | HE | 3,808,363,594 | 54.296% | 3,549,960 | 3,210,161 | 339,800 | 32,445 | 67,006 | (34,561) | 3,582,406 |
| Transportation | HI | 329,659,035 | 4.700% | 307,291 | 277,877 | 29,414 | 49,160 | 112,207 | (63,047) | 356,451 |
| Human Services | HS | 600,625,907 | 8.563% | 559,873 | 506,282 | 53,591 | 0 | 0 | 0 | 559,873 |
| Judicial | JD | 44,143,498 | 0.629% | 41,148 | 37,210 | 3,939 | 0 | 0 | 0 | 41,148 |
| Labor & Emp. | LA | 40,609,695 | 0.579% | 37,854 | 34,231 | 3,623 | 0 | 2,902 | (2,902) | 37,854 |
| Legislature | LE | 3,838,155 | 0.055% | 3,578 | 3,235 | 342 | 0 | 0 | 0 | 3,578 |
| Local Affairs | LO | 7,195,542 | 0.103% | 6,707 | 6,065 | 642 | 0 | 0 | 0 | 6,707 |
| Law Dept | LW | 4,093,656 | 0.058% | 3,816 | 3,451 | 365 | 0 | 0 | 0 | 3,816 |
| Military Affairs | MA | 64,432,439 | 0.919% | 60,061 | 54,312 | 5,749 | 585 | 2,902 | (2,318) | 60,645 |
| Nat. Resources | NR | 257,357,506 | 3.669% | 239,895 | 216,933 | 22,963 | 80,517 | 120,014 | (39,497) | 320,413 |
| Public Health | PH | 38,717,982 | 0.552% | 36,091 | 32,636 | 3,455 | 6,308 | 8,407 | (2,100) | 42,399 |
| Public Safety | PS | 74,612,405 | 1.064% | 69,550 | 62,893 | 6,657 | 13,369 | 18,801 | (5,431) | 82,919 |
| Reg. Agencies | RG | 8,277,000 | 0.118% | 7,715 | 6,977 | 739 | 0 | 0 | 0 | 7,715 |
| Revenue | RV | 46,790,078 | 0.667% | 43,615 | 39,440 | 4,175 | 3,915 | 11,310 | (7,395) | 47,530 |
| Secretary of State | ST | 5,500,000 | 0.078% | 5,127 | 4,636 | 491 | 0 | 0 | 0 | 5,127 |
| Treasury | TR | 189,900 | 0.003% | 177 | 160 | 17 | 0 | 0 | 0 | 177 |
| Allocation Totals | | 7,014,067,773 | 100.000% | 6,538,153 | 5,912,325 | 625,827 | 193,870 | 360,000 | (166,130) | 6,732,023 |

Appendix F: FY 2005-06 Property Program Budget Amendment - Higher Education Subgroup Allocations

| Agency | Code | Building & Contents Value | General Share of Allocations | | | | Flood Zone A Premiums | | | Total Revised \$ Allocation |
|--------------------------|------|---------------------------|------------------------------|-----------------------|-------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------------|
| | | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Arapahoe | AR | 89,280,500 | 2.344% | 83,223 | 75,257 | 7,966 | 905 | 1,273 | (368) | 84,128 |
| Adams | AS | 258,324,201 | 6.783% | 240,797 | 217,748 | 23,049 | 0 | 0 | 0 | 240,797 |
| Auraria | AU | 436,038,250 | 11.449% | 406,452 | 367,547 | 38,905 | 21,477 | 34,168 | (12,691) | 427,930 |
| Aurora CC | CA | 9,138,316 | 0.240% | 8,518 | 7,703 | 815 | 0 | 0 | 0 | 8,518 |
| Denver CC | CD | 8,476,029 | 0.223% | 7,901 | 7,145 | 756 | 0 | 2,902 | (2,902) | 7,901 |
| College Invest | IN | 550,000 | 0.014% | 513 | 464 | 49 | 0 | 0 | 0 | 513 |
| CSU | CS | 0 | 0.000% | 0 | 0 | 0 | 0 | 2,902 | (2,902) | 0 |
| Fort Lewis | FL | 172,423,230 | 4.527% | 160,724 | 145,340 | 15,384 | 0 | 0 | 0 | 160,724 |
| Front Range | FR | 147,814,507 | 3.881% | 137,785 | 124,596 | 13,189 | 0 | 0 | 0 | 137,785 |
| College Access Network | AN | 20,718,960 | 0.544% | 19,313 | 17,465 | 1,849 | 0 | 0 | 0 | 19,313 |
| CCHE w/ Arts & Hum (AH) | HE | 593,490 | 0.016% | 553 | 500 | 53 | 0 | 0 | 0 | 553 |
| Historical Society | HS | 28,621,038 | 0.752% | 26,679 | 24,125 | 2,554 | 0 | 8,707 | (8,707) | 26,679 |
| Lamar | LA | 40,971,553 | 1.076% | 38,192 | 34,536 | 3,656 | 0 | 0 | 0 | 38,192 |
| Metropolitan | ME | 14,839,711 | 0.390% | 13,833 | 12,509 | 1,324 | 0 | 0 | 0 | 13,833 |
| School of Mines | MI | 518,346,019 | 13.611% | 483,175 | 436,926 | 46,249 | 0 | 0 | 0 | 483,175 |
| Morgan | MO | 16,050,990 | 0.421% | 14,962 | 13,530 | 1,432 | 0 | 0 | 0 | 14,962 |
| Mesa | MS | 272,880,327 | 7.165% | 254,365 | 230,017 | 24,348 | 0 | 0 | 0 | 254,365 |
| Northeastern JC | NE | 76,400,401 | 2.006% | 71,217 | 64,400 | 6,817 | 0 | 0 | 0 | 71,217 |
| UNC | NO | 724,468,447 | 19.023% | 675,312 | 610,672 | 64,640 | 0 | 0 | 0 | 675,312 |
| Northwestern JC | NW | 48,237,672 | 1.267% | 44,965 | 40,661 | 4,304 | 5,943 | 11,260 | (5,317) | 50,908 |
| CCCOES Admin | OE | 103,816,568 | 2.726% | 96,772 | 87,509 | 9,263 | 0 | 0 | 0 | 96,772 |
| Otero | OT | 56,461,594 | 1.483% | 52,631 | 47,593 | 5,038 | 0 | 0 | 0 | 52,631 |
| Pikes Peak | PP | 111,654,561 | 2.932% | 104,079 | 94,116 | 9,962 | 0 | 0 | 0 | 104,079 |
| Pueblo | PV | 73,790,721 | 1.938% | 68,784 | 62,200 | 6,584 | 0 | 0 | 0 | 68,784 |
| Red Rocks | RR | 76,240,020 | 2.002% | 71,067 | 64,265 | 6,802 | 4,120 | 5,793 | (1,674) | 75,187 |
| USC | SC | 172,336,853 | 4.525% | 160,644 | 145,267 | 15,377 | 0 | 0 | 0 | 160,644 |
| Trinidad | TR | 92,309,356 | 2.424% | 86,046 | 77,810 | 8,236 | 0 | 0 | 0 | 86,046 |
| Trustees Admin | TS | 110,000 | 0.003% | 103 | 93 | 10 | 0 | 0 | 0 | 103 |
| Western | WS | 237,470,281 | 6.235% | 221,358 | 200,169 | 21,188 | 0 | 0 | 0 | 221,358 |
| Allocation Totals | | 3,808,363,594 | 100.000% | 3,549,960 | 3,210,161 | 339,800 | 32,445 | 67,006 | (34,561) | 3,582,406 |

Appendix G: Payments to Risk Management and Property Funds (Combined Property and Liability) - State Agency Allocations

| Agency | Code | FY 2004-05 Supplemental | | | FY 2005-06 Budget Amendment | | |
|--------------------------|-----------|-------------------------|-------------------|----------------------|-----------------------------|-------------------|----------------------|
| | | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) |
| Agriculture | AG | 155,108 | 226,084 | (70,977) | 274,378 | 251,873 | 22,505 |
| Corrections | CO | 2,748,411 | 3,713,234 | (964,824) | 4,290,332 | 3,071,198 | 1,219,135 |
| Education | ED | 61,763 | 121,709 | (59,946) | 96,664 | 86,432 | 10,233 |
| Governor | EX | 55,584 | 65,747 | (10,163) | 98,788 | 91,239 | 7,549 |
| Pers & Admin (DPA) | GS | 400,957 | 811,349 | (410,392) | 683,135 | 617,402 | 65,734 |
| Health Care Policy | HC | 58,795 | 67,493 | (8,698) | 65,366 | 52,144 | 13,222 |
| Higher Education | HE | 3,332,544 | 8,980,713 | (5,648,168) | 4,800,847 | 4,932,746 | (131,898) |
| Transportation | HI | 2,186,413 | 3,352,313 | (1,165,900) | 3,021,007 | 3,101,694 | (80,686) |
| Human Services | HS | 1,382,859 | 1,934,441 | (551,582) | 2,242,712 | 2,248,622 | (5,910) |
| Judicial | JD | 315,394 | 606,644 | (291,250) | 645,322 | 710,703 | (65,380) |
| Labor & Emp. | LA | 150,107 | 134,954 | 15,153 | 161,914 | 151,719 | 10,195 |
| Legislature | LE | 4,431 | 7,422 | (2,992) | 7,814 | 7,179 | 635 |
| Local Affairs | LO | 34,039 | 44,189 | (10,150) | 40,735 | 32,685 | 8,050 |
| Law Dept | LW | 75,066 | 105,486 | (30,420) | 101,525 | 115,079 | (13,553) |
| Military Affairs | MA | 78,337 | 125,790 | (47,454) | 109,542 | 96,870 | 12,672 |
| Nat. Resources | NR | 458,615 | 606,366 | (147,751) | 584,075 | 615,962 | (31,887) |
| Public Health | PH | 59,535 | 96,295 | (36,760) | 81,553 | 82,781 | (1,228) |
| Public Safety | PS | 468,492 | 457,192 | 11,299 | 555,993 | 563,370 | (7,377) |
| Reg. Agencies | RG | 77,461 | 95,577 | (18,116) | 90,017 | 111,594 | (21,577) |
| Revenue | RV | 176,732 | 234,871 | (58,138) | 216,974 | 271,596 | (54,622) |
| Secretary of State | ST | 13,414 | 18,148 | (4,734) | 22,721 | 13,290 | 9,431 |
| Treasury | TR | 793 | 1,042 | (249) | 956 | 817 | 139 |
| Allocation Totals | | 12,294,848 | 21,807,060 | (9,512,212) | 18,192,374 | 17,226,993 | 965,381 |

Appendix H: Payments to Risk Management and Property Funds (Combined Property and Liability) - Higher Education Subgroup Allocations

| Agency | Code | FY 2004-05 Supplemental | | | FY 2005-06 Budget Amendment | | |
|----------------------------|------|-------------------------|-------------------|----------------------|-----------------------------|-------------------|----------------------|
| | | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) |
| Arapahoe | AR | 94,379 | 160,306 | (65,927) | 158,786 | 132,819 | 25,967 |
| Adams | AS | 155,923 | 327,428 | (171,505) | 266,142 | 241,919 | 24,223 |
| Auraria | AU | 292,859 | 568,047 | (275,188) | 489,494 | 458,667 | 30,827 |
| State Board of Agriculture | BA | 2,318 | 3,093 | (775) | 4,056 | 4,305 | (249) |
| Aurora CC | CA | 30,883 | 47,664 | (16,781) | 40,866 | 39,987 | 879 |
| Denver CC | CD | 6,037 | 12,795 | (6,758) | 9,786 | 12,530 | (2,744) |
| College Invest | IN | 609 | 0 | 609 | 1,527 | 464 | 1,064 |
| CSU | CS | 383,671 | 2,990,841 | (2,607,170) | 0 | 496,596 | (496,596) |
| Fort Lewis | FL | 109,917 | 225,876 | (115,959) | 181,469 | 168,021 | 13,448 |
| Front Range | FR | 85,836 | 180,250 | (94,414) | 146,482 | 134,530 | 11,952 |
| College Access Network | AN | 61,396 | 93,489 | (32,093) | 81,927 | 80,045 | 1,881 |
| CCHE w/ Arts & Hum (AH) | HE | 847 | 1,604 | (757) | 1,756 | 1,659 | 97 |
| Historical Society | HS | 16,111 | 34,230 | (18,119) | 28,939 | 35,150 | (6,211) |
| Lamar | LA | 23,667 | 52,201 | (28,534) | 40,507 | 36,523 | 3,985 |
| Metropolitan | ME | 160,714 | 229,781 | (69,067) | 206,173 | 202,238 | 3,935 |
| School of Mines | MI | 410,730 | 793,656 | (382,926) | 650,138 | 603,643 | 46,495 |
| Morgan | MO | 8,793 | 18,891 | (10,098) | 15,368 | 14,026 | 1,341 |
| Mesa | MS | 171,355 | 359,932 | (188,577) | 305,013 | 266,937 | 38,076 |
| Northeastern JC | NE | 41,143 | 90,148 | (49,005) | 71,901 | 64,896 | 7,005 |
| UNC | NO | 583,220 | 1,106,574 | (523,354) | 920,063 | 855,035 | 65,028 |
| Northwestern JC | NW | 31,783 | 61,360 | (29,576) | 51,345 | 52,417 | (1,072) |
| CCCOES Admin | OE | 55,766 | 119,815 | (64,048) | 97,457 | 88,172 | 9,285 |
| Otero | OT | 31,469 | 66,936 | (35,468) | 56,249 | 51,401 | 4,848 |
| Pikes Peak | PP | 106,914 | 193,288 | (86,374) | 185,269 | 152,724 | 32,545 |
| Occup Educ | PS | 1,024 | 1,446 | (422) | 1,274 | 1,324 | (51) |
| Pueblo | PV | 40,952 | 95,246 | (54,293) | 73,046 | 66,670 | 6,376 |
| Red Rocks | RR | 60,888 | 111,007 | (50,119) | 95,333 | 90,256 | 5,078 |
| USC | SC | 154,226 | 554,369 | (400,142) | 269,659 | 259,005 | 10,654 |
| Trinidad | TR | 53,547 | 115,408 | (61,861) | 93,491 | 84,763 | 8,728 |
| Trustees Admin | TS | 1,705 | 2,456 | (751) | 2,150 | 2,079 | 71 |
| Western | WS | 153,860 | 362,574 | (208,714) | 255,180 | 233,943 | 21,237 |
| Allocation Totals | | 3,332,544 | 8,980,713 | (5,648,168) | 4,800,847 | 4,932,746 | (131,898) |

Appendix I: Workers' Compensation - State Agency Allocations

| Agency | Code | FY 2004-05 Supplemental | | | | FY 2005-06 Budget Amendment | | | | | | | |
|------------------------------|-----------|-------------------------|-----------------------|-------------------|----------------------|-----------------------------|-----------------------|-------------------|----------------------|-----------|-----------|---------|-----------|
| | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | | | | |
| Agriculture | AG | 0.669% | 214,851 | 209,730 | 5,121 | 0.570% | 175,940 | 187,243 | (11,303) | | | | |
| Corrections | CO | 17.106% | 5,494,271 | 5,363,315 | 130,956 | 16.842% | 5,195,647 | 5,530,006 | (334,359) | | | | |
| Education | ED | 1.364% | 438,058 | 424,213 | 13,845 | 1.691% | 521,808 | 555,541 | (33,733) | | | | |
| Governor | EX | 0.012% | 3,896 | 3,803 | 93 | 0.010% | 3,230 | 3,582 | (352) | | | | |
| Pers & Admin (DPA) | GS | 0.827% | 265,720 | 257,322 | 8,398 | 0.584% | 180,090 | 191,802 | (11,711) | | | | |
| Health Care Policy | HC | 0.139% | 44,666 | 43,255 | 1,412 | 0.097% | 30,013 | 31,587 | (1,574) | | | | |
| Higher Education | HE | 14.715% | 4,726,464 | 8,197,597 | (3,471,133) | 12.878% | 3,972,904 | 3,976,707 | (3,803) | | | | |
| Transportation | HI | 18.640% | 5,986,872 | 5,844,175 | 142,697 | 18.333% | 5,655,732 | 6,019,768 | (364,036) | | | | |
| Human Services | HS | 21.198% | 6,808,708 | 6,646,422 | 162,285 | 20.251% | 6,247,252 | 6,649,229 | (401,976) | | | | |
| Cost Allocation Share | | | | | | | | | | 143,367 | 0 | 143,367 | 0 |
| Prior Year WC Claim Payments | | | | | | | | | | 6,952,075 | 6,646,422 | 305,652 | 6,390,619 |
| Human Services subtotal | | | | | | | | | | | | | |
| Judicial | JD | 3.242% | 1,041,421 | 1,016,599 | 24,822 | 4.216% | 1,300,724 | 1,372,895 | (72,171) | | | | |
| Labor & Emp. | LA | 1.467% | 471,180 | 459,949 | 11,231 | 1.908% | 588,499 | 621,320 | (32,821) | | | | |
| Legislature | LE | 0.073% | 23,475 | 22,733 | 742 | 0.095% | 29,320 | 30,610 | (1,290) | | | | |
| Local Affairs | LO | 0.102% | 32,686 | 31,653 | 1,033 | 0.132% | 40,824 | 42,659 | (1,835) | | | | |
| Law Dept | LW | 0.124% | 39,810 | 38,861 | 949 | 0.161% | 49,723 | 52,428 | (2,705) | | | | |
| Military Affairs | MA | 0.356% | 114,310 | 110,697 | 3,613 | 0.389% | 120,065 | 127,651 | (7,585) | | | | |
| Nat. Resources | NR | 8.867% | 2,848,004 | 2,780,122 | 67,882 | 10.489% | 3,235,693 | 3,443,961 | (208,268) | | | | |
| Public Health | PH | 0.927% | 297,866 | 288,452 | 9,414 | 0.775% | 239,117 | 254,650 | (15,533) | | | | |
| Public Safety | PS | 6.484% | 2,082,712 | 2,033,071 | 49,641 | 7.017% | 2,164,571 | 2,303,898 | (139,327) | | | | |
| Reg. Agencies | RG | 0.260% | 83,544 | 80,904 | 2,640 | 0.182% | 56,136 | 58,941 | (2,805) | | | | |
| Revenue | RV | 3.400% | 1,092,189 | 1,066,157 | 26,032 | 3.349% | 1,033,191 | 1,099,684 | (66,493) | | | | |
| Secretary of State | ST | 0.022% | 7,004 | 6,837 | 167 | 0.026% | 8,053 | 8,467 | (413) | | | | |
| Treasury | TR | 0.004% | 1,433 | 1,387 | 45 | 0.004% | 1,178 | 1,303 | (124) | | | | |
| Allocation Totals | | 100.000% | 32,262,508 | 34,927,255 | (2,664,748) | 100.000% | 30,993,080 | 32,563,929 | (1,570,849) | | | | |

Appendix J: Workers' Compensation - Higher Education Subgroup Allocations

| School/Agency | Code | FY 2004-05 Supplemental | | | | FY 2005-06 Budget Amendment | | | |
|----------------------------|------|-------------------------|-----------------------|-------------------|----------------------|-----------------------------|-----------------------|-------------------|----------------------|
| | | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised % Allocation | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) |
| Arapahoe | AR | 1.127% | 53,274 | 51,378 | 1,897 | 1.465% | 58,197 | 57,662 | 535 |
| Adams | AS | 7.500% | 354,474 | 341,816 | 12,658 | 7.915% | 314,471 | 337,622 | (23,152) |
| Auraria | AU | 10.666% | 504,111 | 486,164 | 17,947 | 7.469% | 296,756 | 296,265 | 491 |
| State Board of Agriculture | BA | 0.009% | 420 | 405 | 15 | 0.006% | 247 | 398 | (150) |
| Aurora CC | CA | 1.396% | 65,970 | 63,621 | 2,349 | 0.977% | 38,835 | 38,176 | 658 |
| Denver CC | CD | 1.679% | 79,379 | 76,553 | 2,826 | 2.183% | 86,714 | 85,499 | 1,215 |
| College Invest | IN | 0.077% | 3,630 | 0 | 3,630 | 0.071% | 2,803 | 0 | 2,803 |
| CSU | CS | 0.000% | 0 | 3,575,653 | (3,575,653) | 0.000% | 0 | 0 | 0 |
| Fort Lewis | FL | 4.675% | 220,969 | 213,078 | 7,891 | 6.076% | 241,388 | 238,205 | 3,184 |
| Front Range | FR | 4.417% | 208,764 | 201,332 | 7,432 | 3.932% | 156,228 | 121,290 | 34,939 |
| College Access Network | AN | 1.088% | 51,416 | 51,107 | 309 | 1.249% | 49,605 | 45,334 | 4,270 |
| CCHE w/ Arts & Hum (AH) | HE | 0.197% | 9,301 | 8,970 | 332 | 0.144% | 5,706 | 5,965 | (259) |
| Historical Society | HS | 0.246% | 11,608 | 11,539 | 70 | 0.225% | 8,928 | 9,544 | (616) |
| Lamar | LA | 0.328% | 15,498 | 14,945 | 553 | 0.230% | 9,123 | 9,146 | (23) |
| Metropolitan | ME | 4.936% | 233,305 | 224,999 | 8,306 | 3.457% | 137,340 | 135,606 | 1,734 |
| School of Mines | MI | 7.799% | 368,613 | 366,398 | 2,215 | 6.785% | 269,565 | 289,504 | (19,939) |
| Morgan | MO | 0.661% | 31,235 | 31,048 | 188 | 0.859% | 34,122 | 34,597 | (475) |
| Mesa | MS | 2.678% | 126,558 | 122,038 | 4,519 | 3.480% | 138,253 | 136,401 | 1,852 |
| Northeastern JC | NE | 0.025% | 1,202 | 1,159 | 43 | 0.033% | 1,313 | 1,193 | 120 |
| UNC | NO | 23.543% | 1,112,758 | 1,106,071 | 6,687 | 24.691% | 980,934 | 1,053,430 | (72,495) |
| Northwestern JC | NW | 0.031% | 1,449 | 1,397 | 52 | 0.040% | 1,583 | 1,591 | (8) |
| CCCOES Admin | OE | 1.591% | 75,187 | 72,502 | 2,685 | 2.012% | 79,944 | 81,125 | (1,181) |
| Otero | OT | 3.971% | 187,684 | 186,556 | 1,128 | 2.954% | 117,375 | 126,062 | (8,686) |
| Pikes Peak | PP | 4.728% | 223,469 | 215,489 | 7,980 | 6.145% | 244,120 | 240,988 | 3,131 |
| Occup Educ | PS | 0.016% | 769 | 742 | 27 | 0.011% | 453 | 398 | 55 |
| Pueblo | PV | 3.703% | 175,041 | 169,001 | 6,040 | 2.901% | 115,253 | 123,676 | (8,422) |
| Red Rocks | RR | 2.794% | 132,039 | 131,245 | 793 | 3.631% | 144,240 | 146,740 | (2,500) |
| USC | SC | 6.919% | 327,021 | 325,056 | 1,965 | 6.916% | 274,768 | 195,654 | 79,114 |
| Trinidad | TR | 2.463% | 116,399 | 112,663 | 3,735 | 3.201% | 127,155 | 126,062 | 1,093 |
| Trustees Admin | TS | 0.028% | 1,316 | 1,269 | 47 | 0.019% | 774 | 1,193 | (419) |
| Western | WS | 0.711% | 33,606 | 33,404 | 202 | 0.924% | 36,711 | 37,381 | (670) |
| Allocation Totals | | 100.00% | 4,726,464 | 8,197,597 | (3,471,133) | 100.00% | 3,972,904 | 3,976,707 | (3,803) |

Appendix K: Net Payment Adjustments to Risk Management Services (All Programs) - State Agency Allocations

| Agency | Code | FY 2004-05 Supplemental | | | FY 2005-06 Budget Amendment | | | Two-Year Net Increase/ (Decrease) |
|--------------------------|-----------|-------------------------|-------------------|----------------------|-----------------------------|-------------------|----------------------|-----------------------------------|
| | | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Agriculture | AG | 369,958 | 435,814 | (65,856) | 450,318 | 439,115 | 11,203 | (54,653) |
| Corrections | CO | 8,242,681 | 9,076,549 | (833,868) | 9,485,980 | 8,601,204 | 884,776 | 50,908 |
| Education | ED | 499,821 | 545,922 | (46,101) | 618,472 | 641,972 | (23,500) | (69,601) |
| Governor | EX | 59,480 | 69,551 | (10,070) | 102,018 | 94,821 | 7,197 | (2,873) |
| Pers & Admin (DPA) | GS | 666,677 | 1,068,671 | (401,994) | 863,226 | 809,203 | 54,022 | (347,971) |
| Health Care Policy | HC | 103,461 | 110,748 | (7,286) | 95,379 | 83,731 | 11,648 | 4,361 |
| Higher Education | HE | 8,059,008 | 17,178,309 | (9,119,301) | 8,773,752 | 8,909,453 | (135,701) | (9,255,002) |
| Transportation | HI | 8,173,284 | 9,196,487 | (1,023,203) | 8,676,739 | 9,121,462 | (444,722) | (1,467,925) |
| Human Services | HS | 8,334,934 | 8,580,863 | (245,930) | 8,633,331 | 8,897,850 | (264,519) | (510,449) |
| Judicial | JD | 1,356,815 | 1,623,243 | (266,428) | 1,946,047 | 2,083,598 | (137,551) | (403,979) |
| Labor & Emp. | LA | 621,287 | 594,904 | 26,383 | 750,413 | 773,039 | (22,625) | 3,758 |
| Legislature | LE | 27,906 | 30,156 | (2,250) | 37,134 | 37,789 | (655) | (2,904) |
| Local Affairs | LO | 66,725 | 75,841 | (9,117) | 81,559 | 75,344 | 6,215 | (2,902) |
| Law Dept | LW | 114,876 | 144,347 | (29,471) | 151,248 | 167,507 | (16,258) | (45,729) |
| Military Affairs | MA | 192,647 | 236,488 | (43,841) | 229,607 | 224,520 | 5,087 | (38,754) |
| Nat. Resources | NR | 3,306,620 | 3,386,489 | (79,869) | 3,819,768 | 4,059,923 | (240,155) | (320,024) |
| Public Health | PH | 357,401 | 384,747 | (27,346) | 320,670 | 337,431 | (16,761) | (44,107) |
| Public Safety | PS | 2,551,204 | 2,490,263 | 60,941 | 2,720,565 | 2,867,268 | (146,703) | (85,763) |
| Reg. Agencies | RG | 161,005 | 176,481 | (15,476) | 146,153 | 170,535 | (24,382) | (39,857) |
| Revenue | RV | 1,268,921 | 1,301,027 | (32,106) | 1,250,165 | 1,371,280 | (121,115) | (153,221) |
| Secretary of State | ST | 20,418 | 24,986 | (4,567) | 30,774 | 21,757 | 9,018 | 4,450 |
| Treasury | TR | 2,226 | 2,430 | (204) | 2,134 | 2,120 | 15 | (189) |
| Allocation Totals | | 44,557,355 | 56,734,315 | (12,176,960) | 49,185,454 | 49,790,922 | (605,467) | (12,782,427) |

Appendix L: Net Payment Adjustments to Risk Management Services (All Programs) - Higher Education Subgroup Allocations

| Agency | Code | FY 2004-05 Supplemental | | | FY 2005-06 Budget Amendment | | | Two-Year Net Increase/ (Decrease) |
|----------------------------|------|-------------------------|-------------------|----------------------|-----------------------------|-------------------|----------------------|-----------------------------------|
| | | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | Revised \$ Allocation | Old \$ Allocation | Increase/ (Decrease) | |
| Arapahoe | AR | 147,653 | 211,683 | (64,030) | 216,983 | 190,482 | 26,502 | (37,529) |
| Adams | AS | 510,397 | 669,244 | (158,847) | 580,613 | 579,542 | 1,071 | (157,776) |
| Auraria | AU | 796,970 | 1,054,211 | (257,241) | 786,249 | 754,932 | 31,318 | (225,923) |
| State Board of Agriculture | BA | 2,738 | 3,498 | (761) | 4,303 | 4,702 | (399) | (1,160) |
| Aurora CC | CA | 96,853 | 111,286 | (14,432) | 79,700 | 78,163 | 1,537 | (12,895) |
| Denver CC | CD | 85,416 | 89,348 | (3,932) | 96,500 | 98,030 | (1,529) | (5,461) |
| College Invest | IN | 4,238 | 0 | 4,238 | 4,330 | 464 | 3,867 | 8,105 |
| CSU | CS | 383,671 | 6,566,494 | (6,182,823) | 0 | 496,596 | (496,596) | (6,679,419) |
| Fort Lewis | FL | 330,886 | 438,954 | (108,069) | 422,858 | 406,226 | 16,632 | (91,437) |
| Front Range | FR | 294,600 | 381,582 | (86,982) | 302,711 | 255,819 | 46,891 | (40,091) |
| College Access Network | AN | 112,813 | 144,596 | (31,784) | 131,531 | 125,380 | 6,151 | (25,632) |
| CCHE w/ Arts & Hum (AH) | HE | 10,149 | 10,574 | (425) | 7,462 | 7,624 | (162) | (587) |
| Historical Society | HS | 27,719 | 45,769 | (18,050) | 37,867 | 44,694 | (6,827) | (24,877) |
| Lamar | LA | 39,165 | 67,146 | (27,981) | 49,631 | 45,669 | 3,962 | (24,019) |
| Metropolitan | ME | 394,019 | 454,780 | (60,761) | 343,513 | 337,844 | 5,669 | (55,092) |
| School of Mines | MI | 779,343 | 1,160,054 | (380,711) | 919,704 | 893,147 | 26,557 | (354,155) |
| Morgan | MO | 40,029 | 49,939 | (9,910) | 49,490 | 48,624 | 866 | (9,044) |
| Mesa | MS | 297,913 | 481,971 | (184,058) | 443,266 | 403,338 | 39,928 | (144,130) |
| Northeastern JC | NE | 42,345 | 91,307 | (48,962) | 73,214 | 66,089 | 7,125 | (41,837) |
| UNC | NO | 1,695,978 | 2,212,645 | (516,667) | 1,900,997 | 1,908,465 | (7,468) | (524,134) |
| Northwestern JC | NW | 33,232 | 62,757 | (29,524) | 52,928 | 54,008 | (1,080) | (30,605) |
| CCCOES Admin | OE | 130,953 | 192,317 | (61,364) | 177,401 | 169,297 | 8,104 | (53,259) |
| Otero | OT | 219,153 | 253,492 | (34,340) | 173,624 | 177,462 | (3,838) | (38,178) |
| Pikes Peak | PP | 330,383 | 408,777 | (78,394) | 429,389 | 393,712 | 35,677 | (42,718) |
| Occup Educ | PS | 1,793 | 2,188 | (394) | 1,726 | 1,722 | 4 | (390) |
| Pueblo | PV | 215,993 | 264,246 | (48,253) | 188,299 | 190,346 | (2,046) | (50,299) |
| Red Rocks | RR | 192,927 | 242,252 | (49,326) | 239,573 | 236,996 | 2,577 | (46,749) |
| USC | SC | 481,248 | 879,425 | (398,177) | 544,428 | 454,659 | 89,768 | (308,409) |
| Trinidad | TR | 169,946 | 228,071 | (58,125) | 220,646 | 210,825 | 9,821 | (48,304) |
| Trustees Admin | TS | 3,021 | 3,725 | (705) | 2,924 | 3,272 | (348) | (1,053) |
| Western | WS | 187,465 | 395,977 | (208,512) | 291,891 | 271,324 | 20,567 | (187,946) |
| Allocation Totals | | 8,059,008 | 17,178,309 | (9,119,301) | 8,773,752 | 8,909,453 | (135,701) | (9,255,002) |

Appendix M: Flood Zone 'A' Locations and Premiums

| Location # | Property | Dept Code | Agency Code | Street Address | City | Zip Code | County | SFHA Zone | Year Built | Building Cov Desired \$ | Content Limit Desired \$ | Building Replacement Cost Value \$ | Annual Quote \$ |
|------------|------------------------------|-----------|-------------|---------------------------|-------------|----------|------------|-----------|------------|-------------------------|--------------------------|------------------------------------|-----------------|
| 1850 | Electronics Laboratory | GS | IT | 2452 W. Second Ave | Denver | 80223 | Denver | AE/X | 1965 | 0 | 118,233 | 0 | 1,941 |
| 1852 | Admin./Engineering | GS | IT | 2452 W. Second Ave | Denver | 80223 | Denver | AE/X | 1965 | 1,933 | 500,000 | 1,933 | 3,912 |
| 1904 | Comm. Site S. H. D. | GS | IT | 13360 W. I-76 Frontage Rd | Ft. Morgan | 80701 | Morgan | A | 1968 | 14,898 | 76,376 | 14,898 | 1,540 |
| 6133 | Lowell Annex (AVS) | HE | AR | 3784 S Logan | Englewood | 80110 | Arapahoe | A/X | 1956 | 0 | 119,536 | 0 | 884 |
| 1213 | 1200 7th St. | HE | AU | 1200 7th St. | Denver | 80204 | Denver | AE/X | 1965 | 500,000 | 500,000 | 1,298,175 | 7,058 |
| 1237 | Pumphouse/Irrigation | HE | AU | 755 Walnut St | Denver | 80204 | Denver | AE | 1976 | 51,604 | 10,780 | 51,604 | 723 |
| 4469 | Administration Bldg | HE | AU | 1201 5th Street | Denver | 80204 | Denver | AE | 1999 | 500,000 | 500,000 | 12,572,850 | 1,277 |
| 6009 | Printing/Distribution Center | HE | AU | 1224-30 5th Street | Denver | 80204 | Denver | AE | 1962 | 500,000 | 353,144 | 1,426,450 | 6,433 |
| 6230 | Auraria Office/Garage | HE | AU | 1144 5th Street | Denver | 80217 | Denver | AE/X | 1950 | 325,704 | 25,783 | 325,704 | 2,889 |
| 8172 | Parking Storage | HE | AU | 1200 7th Street | Denver | 80204 | Denver | AE/X | 1965 | 59,870 | 10,000 | 59,870 | 782 |
| 8186 | Blue Warehouse | HE | AU | 1376 Walnut St | Denver | 80204 | Denver | AE | 1971 | 207,600 | 5,000 | 207,600 | 1,812 |
| 7742 | Airplane Hangar | HE | NW | 2248 E Main Street | Rangely | 81048 | Rio Blanco | AE/X | 1975 | 309,000 | 50,000 | 309,000 | 3,340 |
| 7744 | County Hangar | HE | NW | 2248 E Main Street | Rangely | 81648 | Rio Blanco | AE/X | 1975 | 0 | 185,000 | 0 | 2,464 |
| 6137 | Mountain Center | HE | RR | 10441 County Hwy 73 | Conifer | 80433 | Jefferson | A/X | 1986 | 0 | 500,000 | 0 | 4,023 |
| 2238 | Maintenance Shed | HI | DH | 450 B Avenue | Limon | 80011 | Lincoln | A2 | 1981 | 218,523 | 5,000 | 218,523 | 1,169 |
| 2291 | Maintenance Div Office | HI | DH | 905 Erie | Pueblo | 81001 | Pueblo | A14 | 1934 | 176,418 | 500,000 | 176,418 | 7,487 |
| 2292 | Maintenance Div Garage | HI | DH | 905 Erie | Pueblo | 81001 | Pueblo | A14 | 1948 | 25,429 | 30,000 | 25,429 | 848 |
| 2387 | Maintenance Barn | HI | DH | 3335 SH 92 | Hotchkiss | 81419 | Delta | A/C | 1960 | 122,810 | 10,000 | 122,810 | 1,397 |
| 2388 | Maintenance Barn | HI | DH | 1517 Sh 187 | Paonia | 81428 | Delta | A3/C | 1964 | 103,408 | 1,169 | 103,408 | 1,071 |
| 2397 | Maintenance Barn | HI | DH | 202 Centennial St | Glenwood | 81610 | Garfield | A9/B | 1976 | 500,000 | 3,484 | 692,646 | 3,500 |
| 2450 | Garage/Storage | HI | DH | 43543 Hwy 13 | Meeker | 81641 | Rio Blanco | A/X | 1984 | 262,227 | 2,496 | 262,227 | 2,223 |
| 2568 | Maintenance Barn | HI | DH | 15551 Highway 145 | Telluride | 81435 | San Miguel | A/X | 1973 | 189,884 | 1,664 | 189,884 | 1,796 |
| 2708 | Salt Dome | HI | DH | 2300 West 11th Avenue | Denver | 80205 | Denver | AE/X | 1987 | 209,349 | 3,691 | 209,349 | 1,433 |
| 2732 | Maintenance Garage/Office | HI | DH | 139 Walnut Street | Brighton | 80601 | Adams | AE/X | 1977 | 69,953 | 2,080 | 69,653 | 444 |
| 2789 | Maintenance Shed | HI | DH | 1226 Alaska | Longmont | 80501 | Boulder | AE/X | 1953 | 116,709 | 1,236 | 116,709 | 1,078 |
| 2803 | Maintenance Shed | HI | DH | 29340 Hwy 34 | Brush 1 | 80723 | Morgan | AE | 1954 | 132,919 | 1,194 | 132,919 | 1,340 |
| 2804 | Maintenance Shed | HI | DH | 29340 Hwy 34 | Brush 1 | 80723 | Morgan | AE | 1955 | 116,709 | 1,048 | 116,709 | 1,191 |
| 2816 | Maintenance Shed | HI | DH | 29340 Hwy 34 | Brush 1 | 80723 | Morgan | AE | 1985 | 349,102 | 2,990 | 249,102 | 2,807 |
| 4553 | Maintenance Office Building | HI | DH | 5701 N. Federal Blvd | Westminster | 80221 | Adams | AE | 1973 | 330,000 | 2,600 | 330,000 | 2,672 |
| 4563 | Offices/Lab | HI | DH | 20581 Highway 160 | Durango | 81301 | La Plata | A8/C | 1980 | 347,820 | 2,740 | 347,820 | 2,793 |
| 4564 | CSP Headquarters | HI | DH | 20581 Highway 160 | Durango | 81301 | La Plata | A8/C | 1980 | 158,400 | 1,248 | 158,400 | 1,518 |
| 4565 | Supply Warehouse | HI | DH | 20581 Highway 160 | Durango | 81301 | La Plata | A8/C | 1980 | 414,216 | 2,950 | 414,216 | 3,236 |
| 4566 | Traffic Shop | HI | DH | 20581 Highway 160 | Durango | 81301 | La Plata | A8/C | 1980 | 168,960 | 1,331 | 168,960 | 1,589 |
| 7135 | Maintenance Garage | HI | DH | 5701 N. Federal Blvd | Westminster | 80221 | Adams | AE | 1989 | 362,685 | 7,280 | 362,685 | 1,864 |
| 7222 | Maintenance Shed | HI | DH | 450 B Avenue | Limon | 80011 | Lincoln | A2 | 1993 | 190,868 | 2,600 | 190,868 | 1,468 |
| 8278 | Office Bldg | HI | DH | 202 Centennial St | Glenwood | 81610 | Garfield | A9/B | 1976 | 500,000 | 2,600 | 595,944 | 3,484 |
| 8281 | Maintenance Barn | HI | DH | 360 S 7th St | Rifle | 81650 | Garfield | A/C | 1979 | 500,000 | 3,068 | 623,382 | 1,600 |
| 4885 | Denver Armory | MA | NG | 5275 Franklin street | Denver | 80216 | Denver | AE | 1999 | 0 | 240,000 | 0 | 571 |
| 1524 | Brush-Leased Office | NR | WI | 122 Edison St | Brush | 80723 | Morgan | A3 | 1990 | 480,000 | 100,000 | 480,000 | 10,000 |
| 1586 | Lowell Ponds-Office Building | NR | WI | 4160 W. 56th Way | Denver | 80221 | Adams | AE | 1964 | 184,790 | 70,000 | 187,790 | 2,861 |

Appendix M: Flood Zone 'A' Locations and Premiums

| Location # | Property | Dept Code | Agency Code | Street Address | City | Zip Code | County | SFHA Zone | Year Built | Building Cov Desired \$ | Content Limit Desired \$ | Building Replacement Cost Value \$ | Annual Quote \$ |
|------------|--|-----------|-------------|--------------------------|-------------------|----------|-------------|-----------|------------|-------------------------|--------------------------|------------------------------------|-----------------|
| 1596 | Durango Hatchery-Pump House | NR | WI | 141 E 16th St | Durango | 81301 | La Plata | AE/X | 1976 | 52,380 | 125,000 | 52,380 | 2,563 |
| 1597 | Durango Hatchery-Hatchery/Office | NR | WI | 141 E 16th St | Durango | 81301 | La Plata | AE/X | 1976 | 500,000 | 348,250 | 1,280,007 | 6,407 |
| 1600 | Durango Area 15-House #3 - GH58 | NR | WI | 151 E 16th St | Durango | 81301 | La Plata | AE/X | 1927 | 120,000 | 200,000 | 120,000 | 3,966 |
| 1606 | Durango Hatchery-Hatchery (Old) | NR | WI | 141 E 16th St | Durango | 81301 | La Plata | AE/X | 1927 | 409,517 | 100,000 | 409,517 | 4,614 |
| 1614 | Mt Evans SWA-Machine Shed | NR | WI | 1687 CTY Rd 480 | Evergreen | 80439 | Clear Creek | A/C | 1953 | 68,570 | 200,000 | 68,570 | 3,246 |
| 1631 | Bird Farm | NR | WI | 1424 NE Front Rd 125 | Ft Collins | 80526 | Larimer | AE | 1990 | 52,427 | 350,000 | 52,427 | 687 |
| 1761 | Pueblo Hatchery-Brick Storage BLDG | NR | WI | 520 Reservoir Rd | Pueblo | 81005 | Pueblo | A | 1986 | 500,000 | 30,000 | 500,000 | 3,945 |
| 1766 | Pueblo Hatchery-Hatchery | NR | WI | 500 Reservoir Rd | Pueblo | 81005 | Pueblo | A | 1986 | 500,000 | 500,000 | 3,000,000 | 7,428 |
| 1769 | Pueblo Hatchery-Microscreen Building | NR | WI | 500 Reservoir Rd | Pueblo | 81005 | Pueblo | A | 1986 | 337,366 | 500,000 | 337,366 | 6,670 |
| 1804 | Mt Shavano Hatchery-Hatchery | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1961 | 500,000 | 144,000 | 523,800 | 5,649 |
| 1805 | Mt Shavano Hatchery-Nurse Basin | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1984 | 411,421 | 30,000 | 411,421 | 3,676 |
| 1811 | Salida Area 13-Warehouse West | NR | WI | 7725 US HWY 50 | Salida | 81201 | Chaffe | AE/X | 1965 | 100,000 | 100,000 | 100,000 | 2,719 |
| 1812 | MT Shavano Hatchery-House - GH77 | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1928 | 194,421 | 29,800 | 194,421 | 2,006 |
| 1813 | MT Shavano Hatchery-Food Prep Building | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1957 | 187,854 | 28,800 | 187,854 | 2,179 |
| 1814 | MT Shavano Hatchery-Office/Shop/Garage | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1959 | 289,995 | 45,600 | 289,995 | 3,140 |
| 1815 | MT Shavano Hatchery-Food/Truck Shop | NR | WI | 7725 County Rd 154 | Salida | 81201 | Chaffe | A | 1966 | 256,662 | 40,400 | 256,662 | 2,831 |
| 421 | Durango Hatchery-Recirculation BLDG | NR | WI | 151 E 16th St | Durango | 81301 | La Plata | AE/X | 1927 | 125,000 | 150,000 | 125,000 | 3,319 |
| 423 | Bird Farm Area 4 Office | NR | WI | 1424 NE Frontage Rd | Ft Collins | 80524 | Larimer | AE | 1994 | 209,708 | 175,000 | 209,708 | 724 |
| 2674 | Emissions Tech. Center | PH | AP | 2450 W 2nd Ave | Denver | 80223 | Denver | AE/X | 1970 | 0 | 479,600 | 0 | 3,823 |
| 2658 | Welby Monitor Station | PH | CC | 3174 E 78th Ave | Thornton | 80229 | Adams | AE | 1992 | 14,980 | 91,750 | 14,980 | 2,337 |
| 0414 | CSP Durango Dist & Trp Office | PS | PA | 20591 Highway 160 | Durango | 81301 | La Plata | A8/C | 1938 | 0 | 100,000 | 0 | 1,731 |
| 0992 | CSP/Vehicle/Supply/CGW | PS | PA | 15203 W. 12th Avenue | Golden | 80401 | Jefferson | A4/C | 1949 | 500,000 | 500,000 | 1,745,520 | 7,428 |
| 1424 | CSP Ft Morgan Office | PS | PA | 13360 W I-76 Frontage Rd | Ft. Morgan | 80701 | Morgan | A | 1973 | 165,535 | 26,388 | 165,535 | 2,061 |
| 1425 | CSP Ft Morgan Garage | PS | PA | 13360 W I-76 Frontage Rd | Ft. Morgan | 80701 | Morgan | A | 1984 | 57,423 | 500 | 57,423 | 630 |
| 1442 | CSP Steamboat Office/Garage | PS | PA | 30200 Highway 40 | Steamboat Springs | 80487 | Routt | A/X | 1982 | 96,993 | 12,617 | 96,993 | 1,206 |
| 8511 | Lottery Warehouse | RV | PE | 700 W. Mississippi | Denver | 80223 | Denver | AO | 1985 | 0 | 500,000 | 0 | 3,823 |

Appendix N: Agency and School Codes

| Agency | Code |
|-------------------------|-----------|
| Agriculture | AG |
| Corrections | CO |
| Education | ED |
| Governor | EX |
| Pers & Admin (DPA) | GS |
| Health Care Policy | HC |
| Higher Education | HE |
| Transportation | HI |
| Human Services | HS |
| Judicial | JD |
| Labor & Emp. | LA |
| Legislature | LE |
| Local Affairs | LO |
| Law Dept | LW |
| Military Affairs | MA |
| Nat. Resources | NR |
| Public Health | PH |
| Public Safety | PS |
| Reg. Agencies | RG |
| Revenue | RV |
| Secretary of State | ST |
| Treasury | TR |

| School/Agency | Code |
|----------------------------|------|
| Arapahoe | AR |
| Adams | AS |
| Auraria | AU |
| State Board of Agriculture | BA |
| Aurora CC | CA |
| Denver CC | CD |
| College Invest | IN |
| CSU | CS |
| Fort Lewis | FL |
| Front Range | FR |
| College Access Network | AN |
| CCHE w/ Arts & Hum (AH) | HE |
| Historical Society | HS |
| Lamar | LA |
| Metropolitan | ME |
| School of Mines | MI |
| Morgan | MO |
| Mesa | MS |
| Northeastern JC | NE |
| UNC | NO |
| Northwestern JC | NW |
| CCCOES Admin | OE |
| Otero | OT |
| Pikes Peak | PP |
| Occup Educ | PS |
| Pueblo | PV |
| Red Rocks | RR |
| USC | SC |
| Trinidad | TR |
| Trustees Admin | TS |
| Western | WS |

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Schedule 6
STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05 and STATEWIDE BUDGET AMENDMENT REQUEST for FY 2005-06

Department: Personnel and Administration
 Priority Number: Statewide Suppl #3, SW Budget Amendment #3
 Division: Executive Office, Division of Information Technologies
 Program: Network Services
 Request Title: MNT Telecomm Truth-in-Rates

Dept. Approval: _____
 OSPB Approval: _____
 Statutory Citation: 24-30-908, O.R.S.

Date: January 3, 2005
 Date: 1/2/2005

Budget Analyst: Robb Fuller

| Long Bill Line Item | Fund Source | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|------------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------------------|----------------------------------|---|
| | | Prior-Year Actual FY 2003-04 | Appropriation FY 2004-05 | Supplemental Request FY 2004-05 | Total Revised Request FY 2004-05 | Base Request FY 2005-06 | Decision/Base Reduction FY 2005-06 | November 1 Request FY 2005-06 | Budget Amendment FY 2005-06 | Total Revised Request FY 2005-06 | Change from Base in Out Year FY 2006-07 |
| Total of all line items | Total | \$16,548,823 | \$18,035,004 | (\$222,171) | \$17,812,833 | \$17,792,623 | (\$1,429,060) | \$16,363,563 | (\$277,213) | \$16,086,350 | \$0 |
| | FTE | 15.9 | 18.0 | 0.0 | 18.0 | 18.0 | 0.0 | 18.0 | 0.0 | 18.0 | 0.0 |
| | GF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 1,013,349 | 1,739,646 | 0 | 1,739,646 | 1,739,646 | 0 | 1,739,646 | 0 | 1,739,646 | 0 |
| | CFE | 15,535,474 | 16,295,358 | (222,171) | 16,073,187 | 16,052,977 | (1,429,060) | 14,623,917 | (277,213) | 14,346,704 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Multiuse Network Payments | Total | \$575,314 | \$586,337 | (\$463,236) | \$123,101 | \$586,337 | (\$287,744) | \$298,593 | (\$248,461) | \$50,132 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | 0 | |
| | CF | | | | | | | | | 0 | |
| | CFE | 575,314 | 586,337 | (463,236) | 123,101 | 586,337 | (287,744) | 298,593 | (248,461) | 50,132 | |
| | FF | | | | | | | | | | |
| Division of Information Technology, Network Services, Personal Services | Total | \$1,260,595 | \$1,363,645 | \$0 | \$1,363,645 | \$1,399,746 | \$87,264 | \$1,487,010 | (\$87,264) | \$1,399,746 | \$0 |
| | FTE | 15.9 | 18.0 | | 18.0 | 18.0 | | 18.0 | | 18.0 | |
| | GF | | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | 1,260,595 | 1,363,645 | | 1,363,645 | 1,399,746 | 87,264 | 1,487,010 | (87,264) | 1,399,746 | |
| | FF | | | | | | | | | | |
| Division of Information Technology, Network Services, Operating Expenses | Total | \$14,712,914 | \$16,085,022 | \$241,065 | \$16,326,087 | \$15,806,540 | (\$1,228,580) | \$14,577,960 | \$58,512 | \$14,636,472 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 1,013,349 | 1,739,646 | | 1,739,646 | 1,739,646 | | 1,739,646 | | 1,739,646 | |
| | CFE | 13,699,565 | 14,345,376 | 241,065 | 14,586,441 | 14,066,894 | (1,228,580) | 12,838,314 | 58,512 | 12,896,826 | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Fund 603
 IT Request: No
 Supplemental and Budget Amendment Criteria: New Data
 Request for New or Replacement Vehicles: No
 Request Affects Another Department(s): Yes - Statewide Request impacting multiple departments.

Efficiency and Effectiveness Analysis
FY 2004-05 Supplemental & FY 2005-06 Budget Amendment

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Information Technology

Program: Network Services

Request Title: MNT Telecomm Truth-in-Rates

Request Criteria New Data

Priority Number: Statewide Supplemental #3, Statewide Budget Amendment #3

Summary of Request

This request seeks statewide adjustments to FY 2004-05 and FY 2005-06 Multi-Use Network allocations/appropriations statewide in accordance with Telecommunications Truth-in-Rates. This request has been submitted annually in recent years in order to “true-up” this common policy. The current request includes multiple components. Specific adjustments identified in the request this fiscal year are as follows:

- Similar to past fiscal years, this request seeks supplemental adjustments to the FY 2004-05 Long Bill appropriations to State agencies for Multiuse Network Payments to realign allocations statewide to reflect updated circuit inventory.
- The Department’s request includes a reallocation of certain Multiuse Network circuit and infrastructure related backbone expenses that have previously been billed inappropriately to DPA.
- Further, this request makes similar adjustments for FY 2005-06, and if approved, will serve to amend the original FY 2005-06 Common Policy for MNT originally submitted as a Statewide Base Reduction Item on November 1, 2004.
- In addition, the FY 2005-06 MNT request previously submitted as Statewide Base Reduction Item #1 contained a minor error on the Schedule 6. Specifically, the requested increase of \$87,264 to DoIT Network Services, Personal Services reflected on the Schedule 6 was incorrect. *The \$80,000+ increase represented an increase to the personal services component of MNT recoverable costs and statewide billings, and does not represent the need for an increased appropriation to DoIT Network Services. All other detail regarding recommended statewide MNT appropriations and recoverable costs were completely accurate.*

- Finally, both the Department's FY 2005-06 Statewide request for MNT (submitted on November 1, 2004 - Statewide Base Reduction Item #1) and this FY 2005-06 Budget Amendment reflect a substantial reduction of nearly \$1.5 million in aggregated network access point (ANAP) fees paid to several of Qwest's partner entities in accordance with the terms of a contract extension between Qwest and the State that was executed in November 2003. Under the terms of the agreement, the fees are scheduled to be substantially reduced beginning July 1, 2005. Based upon recent discussions with Qwest, this request may need to be further amended prior to figure setting to include a reinstatement of some level of ANAP fees for FY 2005-06 forward, in order to further subsidize the infrastructure of Qwest's partners, especially in rural areas. (If the need to amend the FY 2005-06 program costs to reflect an additional subsidy becomes necessary, the Department anticipates that Qwest will provide rationale/justification on behalf of itself and its partners for this extraordinary change to the contracted terms.)

The FY 2004-05 Supplemental contains a net increase in departmental appropriations statewide of \$265,123 and an additional increase in MNT appropriations for non-appropriated entities of \$17,253. The DPA share of this statewide request is a decrease of \$463,236 cash funds exempt. (See Attachment A for total requested adjustments by department and recoverable program costs for FY 2004-05.)

The FY 2005-06 Budget Amendment contains a net increase in departmental appropriations statewide of \$81,968 and a net decrease in MNT appropriations for non-appropriated entities of \$21,969. The DPA share of this statewide request is a decrease of \$248,461 cash funds exempt. (See Attachment B for total requested adjustments by department and recoverable program costs for FY 2005-06.)

Problem or Opportunity Definition

As reflected above, the Department has determined that adjustments need to be made to the current FY 2004-05 and FY 2005-06 statewide allocations for MNT for a variety of reasons. For background, it is important to note some of the time constraints and other factors inherent in the development of the MNT Common Policy and subsequent Long Bill appropriations require an annual "true-up". Each year, DPA develops the Common Policy for MNT for the following fiscal year in early August. In the process of calculating the Common Policy, the Department first determines what the projected level of recoverable costs for MNT for the upcoming fiscal year will be. These calculations include personal services, various operating components (including ANAP fees, LATA crossing fees, costs associated with existing MNT circuits, network monitoring, Internet access costs, etc), and departmental central appropriations associated with the provision of the Multi-use Network. Further, utilization detail by agency that is used in determining the allocation by agency is based upon the most recently completed fiscal year. In the case of the FY 2005-06 MNT Common Policy, utilization from FY 2003-04 was used (along with recoverable costs as identified above) to determine the FY 2005-06 allocations to State agencies, an inherent two-year lag. While the components that are included in "recoverable costs" may be very specific, the projection for recoverable costs and the subsequent

allocations to State agencies that result in the initial Common Policy are a best estimate, and are developed approximately eight months prior to Common Policy figure setting in the spring, and eleven months prior to the beginning of the applicable fiscal year. As a matter of habit, an annual Supplemental Request is necessary not only to “true-up” recoverable costs, but also to update utilization to reflect the most recently closed fiscal year.

As identified above in the *Summary of Request*, this request contains several adjustments. The first is merely an adjustment to reflect updated circuit inventory by agency and to subsequently recalibrate agency allocations. Buildouts, or substantive increases in utilization (circuit inventory), and reductions in utilization (circuit aggregation, migration, etc) are captured here. The specific adjustments that fall into this category are included in the FY 2004-05 Supplemental Request, with the impact continuing as an FY 2005-06 Budget Amendment (which seeks to amend the FY 2005-06 Common Policy for MNT originally submitted as a Statewide Base Reduction Item on November 1, 2004).

The second adjustment contained in this request is a reallocation of certain backbone expenses associated with MNT. Historically, since the inception of MNT as a Common Policy, circuits were being charged back to DPA that are actually part of the MNT backbone. Since these circuits have been determined to be backbone related, the Department has determined that the most equitable methodology will include allocation of the applicable circuits across the entire customer base. This adjustment results in incremental adjustments to agency allocations, proportionate to their share of the total statewide allocation. The result is that the total cost of MNT will not change, only the alignment of expenses with departments, as in previous Change Requests associated with MNT. The adjustment identified above is included as a component of the FY 2004-05 Supplemental Request for MNT, and continues as a component of the FY 2005-06 Budget Amendment.

Finally, as referenced above, the initial FY 2005-06 statewide MNT request (submitted November 1, 2004 as Statewide Base Reduction Item #1) included a reduction in total ANAP charges projected for FY 2005-06 to \$365,004, a reduction of \$1,571,720. By way of background, the State’s initial contract with Qwest for the enabling of the Multi-use Network included subsidy payments made to telecommunications providers (Qwest partners) primarily located on the eastern plains for ANAP fees. These subsidies were initially agreed to for the purpose of facilitating network infrastructure in rural areas of Colorado. The subsidies were never anticipated by the State to continue indefinitely, and in August 1, 2003, via Contract Amendment #2, the State exercised the right to extend the MNT contract with Qwest as per provisions in the original contract. The State exercised all five option years at once, extending the contract until June 30, 2010. This amendment also included an Exhibit D, which clearly identified all ANAP fees, including those due to Qwest and non-Qwest entities, on a monthly and annual schedule. The amendment indicated that the total contract value (maximum) for all ANAP charges through June 30, 2010 is \$9,050,471.10. Specifically, however, Exhibit D reflected a table that clearly identified that no ANAP fees would be due for non-Qwest ANAP’s after June 30, 2005.

Subsequent to the submission of the FY 2005-06 request that incorporated the substantial reduction of ANAP fees and the resulting decrease in recoverable costs and statewide billings,

Qwest has requested that the Department reconsider its position on this issue. Though the terms of Contract Amendment #2 specifically address the elimination of certain ANAP fees effective June 30, 2005, while continuing to dictate the provision of MNT services by Qwest (and its partners) through June 30, 2010, Qwest has indicated that it believes that its partners may be unable to provide the desired level of services absent continued subsidization on ANAP fees. While the legal opinion of the Department is that DPA and the State are not obligated to continue subsidizing the network infrastructure of Qwest's partners by continuing with payment of the aforementioned ANAP fees beyond June 30, 2005, the Department believes that it is important to note that the FY 2005-06 final statewide MNT request may need to be adjusted upward at figure setting in order to address future subsidies of ANAP fees.

Available Alternatives

Alternative #1 (Recommended)

Alternative #1 seeks a supplemental adjustment to statewide allocations for MNT for FY 2004-05 based upon updated circuit inventory, corresponding realignment of backbone expenses, and includes an update to the recoverable cost basis initially approved during FY 2004-05 JBC Common Policy figure setting. Alternative #1 also contains FY 2005-06 adjustments consistent with those identified above for FY 2004-05.

Alternative #2

Alternative #2 would continue with the status quo, which is inequitable, and inconsistent with the Truth-in-Rates methodology.

Statutory and Other Authority

Section 24-30-908, C.R.S

Linkage to Objectives

DPA FY 2005-06 Strategic Plan:

Departmental goal: *Extend the Truth-in-Rates Philosophy Departmentwide.*

Associated objectives included the following: *Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services and remain competitive.*

Departmental goal: *Create and Enhance Stakeholder Relationships.*

Associated objectives included the following: *Facilitate and coordinate statewide and Common Policy related Change Requests and legislation that affects multiple stakeholders and State departments.*

Departmental goal: *Play a Central Role in Using Information Technology to Streamline Government.*

Associated objectives included the following: *Continue to maximize network and computer infrastructure priorities to generate optimal capacity and efficiencies in costs.*

Assessment of Alternatives

Alternative #1 (Recommended)

Alternative 1 is the recommended alternative as it will allow for the continued provision of MNT at necessary service levels for the benefit of customers statewide, will update allocations/appropriations to customers statewide based upon the most current utilization data available, and provides for cost recovery as defined in statute.

Alternative #2

Alternative 2 is not recommended, as it would not realign agency appropriations and billings to reflect current utilization and program costs. This would inequitably result in some agencies essentially being under billed for MNT, while other agencies would unfairly be burdened by being forced to pay for excessive telecommunications billings from continuation level MNT and operating appropriations.

Concerns or Uncertainties

The primary uncertainty associated with this request is related to the resolution of the pending ANAP fee issue discussed previously, which could result in increased program costs in FY 2005-06.

Conclusion/Recommendation:

The Department recommends Alternative #1, which is consistent with Truth-in-Rates. This alternative updates the statewide allocation for MNT for FY 2004-05 and FY 2005-06 to include changes in circuit inventory/utilization that are currently known, realignment of backbone expenses previously charged solely to DPA to all MNT users statewide, and any necessary updates to the recoverable cost basis. As described above, the adjustments contained in this request are necessary for the purposes of ensuring equitable treatment of State agency MNT customers, to remain consistent with the Truth-in-Rates philosophy, and to continue to provision MNT at the necessary service levels for our customers in current and future fiscal years.

Attachment A

This table summarizes the FY05 MNT Long Bill as appropriated vs. FY05 MNT Supplemental.

| DEPT | Department Name | FY05 MNT | | Note | Net Increase (Decrease) | Percent Change | MNT GF % | MNT GF Est | Comment |
|-------|--|----------------------------|-----------------------|------|----------------------------|-------------------|-------------|------------------|----------------------------|
| | | FY05 Long Bill MNT Line | Supplemental Lines | | | | | | |
| AAA | Department of Personnel & Administration | \$586,337 | \$123,101 | 1 | (\$463,236) | -79% | 0% | \$0 | |
| BAA | Department of Agriculture | \$30,661 | \$27,068 | | (\$3,593) | -12% | 100% | (\$3,593) | |
| CAA | Department of Corrections | \$1,069,494 | \$1,106,853 | 2 | \$37,359 | 3% | 100% | \$37,359 | 67 new circuits |
| DAA | Department of Education | \$40,160 | \$38,687 | | (\$1,473) | -4% | 100% | (\$1,473) | |
| EAA | Office of the Governor | \$99,421 | \$42,944 | 3 | (\$56,477) | -57% | 100% | (\$56,477) | |
| FAA | Department of Public Health and Environment | \$241,498 | \$176,340 | | (\$65,157) | -27% | 0% | \$0 | |
| GAA | Department of Higher Education | \$0 | \$0 | | \$0 | | 100% | \$0 | |
| HAA | Department of Transportation (Not Approp) | \$802,832 | \$820,086 | 4 | \$17,253 | 2% | 0% | \$0 | Not Appropriated |
| IHA | Department of Human Services | \$1,924,719 | \$2,346,159 | 5 | \$421,440 | 22% | 65% | \$273,936 | 154 MNT converted circuits |
| JAA | Judicial | \$272,033 | \$597,973 | 6 | \$325,940 | 120% | 100% | \$325,940 | 64k to T-1 conversions |
| KAA | Department of Labor & Employment | \$110,265 | \$105,237 | | (\$5,028) | -5% | 0% | \$0 | |
| LAA | Department of Law | \$0 | \$0 | | \$0 | | 100% | \$0 | |
| MAA | General Assembly | \$0 | \$0 | | \$0 | | 100% | \$0 | |
| NAA | Department of Local Affairs | \$45,810 | \$39,345 | | (\$6,465) | -14% | 62% | (\$4,008) | |
| OAA | Department of Military Affairs | \$0 | \$0 | | \$0 | | 100% | \$0 | |
| PAA | Department of Natural Resources | \$868,912 | \$908,776 | | \$39,864 | 5% | 55% | \$21,925 | |
| RAA | Department of Public Safety | \$1,275,157 | \$1,091,086 | | (\$184,071) | -14% | 72% | (\$132,531) | |
| SAA | Department of Regulatory Agencies | \$3,239 | \$2,847 | | (\$392) | -12% | 0% | \$0 | |
| TAA | Department of Revenue | \$1,398,096 | \$1,633,190 | 7 | \$235,094 | 17% | 31% | \$72,879 | Reflects new Lottery lines |
| UHA | Department of Health Care Policy & Finance | \$0 | \$0 | | \$0 | | 50% | \$0 | |
| VAA | Secretary of State | \$71,724 | \$63,045 | | (\$8,680) | -12% | 0% | \$0 | |
| WAA | Department of Treasury | \$0 | \$0 | | \$0 | | 100% | \$0 | |
| STATE | TOTAL BILLING ALL STATE AGENCIES | \$8,840,358 | \$9,122,735 | | \$282,377 | 3% | | \$533,956 | |
| | TOTAL BILLING ALL STATE AGENCIES (appropriated) | \$8,037,526 | \$8,302,650 | | \$265,123 | 3% | | | |

Note: This table indicates the estimated net increase (decrease) for MNT by Department FY05 Appropriated vs. FY05 Supplemental.

Note: This table ALSO reflects the net effect of moving \$102,896 of AMA circuits to the proper departments based on a circuit audit in addition to true-up.

- Note 1 Costs reduced by migration to OC-12, elimination of OC-3, and reassignment of certain circuits from AMA to correct department(s) due to circuit audit
- Note 2 Costs reduced through circuit aggregation
- Note 3 OIT circuit expense to Broomfield campus was eliminated, but OIT circuit expense to downtown office added
- Note 4 CDOT is not appropriated - for reference only
- Note 5 Includes \$360,000 circuit expense of moving CDHS billing to DoIT - not included in FY05 Long Bill
- Note 6 Includes 28 new Judicial T-1's (previously were direct bill 64k circuits) - not included in FY05 Long Bill
- Note 7 Includes 12 months of Lottery terminals @\$8,694.75 per month (\$104,337) - not included in FY05 Long Bill

| MNT Recoverable Costs | FY 05 (figure setting) | FY05 Revision | difference |
|---|------------------------|----------------------|-------------------|
| DoIT Network Services Operating Expenses | | | |
| Circuits - Qwest Single Bill | \$ 4,200,000 | \$ 4,260,000 | \$ 60,000 |
| Circuits - Qwest Frame | \$ 1,800,000 | \$ 1,860,000 | \$ 60,000 |
| Circuits - Moves/Adds/Changes | \$ - | \$ - | \$ - |
| Nms - based on June 2004 | \$ 624,000 | \$ 480,000 | \$ (144,000) |
| OCC | \$ - | \$ - | \$ - |
| Equipment Maintenance | \$ - | \$ 322,985 | \$ 322,985 |
| LATA Crossing Costs | \$ 84,000 | \$ 84,000 | \$ - |
| FRGP (Internet) Costs | \$ 174,000 | \$ 120,000 | \$ (54,000) |
| \$348 adjustment to balance | \$ 348 | \$ - | \$ (348) |
| ANAP fees (1 yr of Silverton) | \$ 1,936,724 | \$ 1,933,152 | \$ (3,572) |
| Subtotal MNT Operating with ANAP Costs | \$ 8,819,072 | \$ 9,060,137 | \$ 241,065 |
| Personnel Costs (DoIT Network Services) | \$ 917,866 | \$ 997,013 | \$ 79,147 |
| POTS (Incl in Personnel Costs in FY 05) | \$ - | \$ - | \$ - |
| Allocated Overhead | \$ 268,621 | \$ 229,141 | \$ (39,480) |
| Central Appropriations | \$ 34,799 | \$ 36,445 | \$ 1,646 |
| Subtotal MNT with ANAP Costs | \$ 10,040,358 | \$ 10,322,736 | \$ 282,378 |
| | | \$ - | \$ - |
| Less Revenues from Non State Agencies | \$ (1,200,000) | \$ (1,200,000) | \$ - |
| Revenues from State Agencies | \$ 8,840,358 | \$ 9,122,736 | \$ 282,378 |
| | | \$ - | \$ - |
| TOTAL MNT BILLING | \$ 10,040,358 | \$ 10,322,736 | \$ 282,378 |
| <i>total MNT billing/revenue State Agencies</i> | <i>\$ 8,840,358</i> | <i>\$ 9,122,736</i> | <i>\$ 282,378</i> |

Attachment B

This table summarizes the FY06 MNT as requested vs. FY06 MNT Budget Amendment

| DEPT | Department Name | FY06 | | Note | Net Increase (Decrease) | Percent Change | MNT GF % | MNT GF Est |
|-------|--|------------------------------|---------------------|------|----------------------------|-------------------|-------------|------------------|
| | | FY06 Original MNT Request | Amended MNT Line | | | | | |
| AAA | Department of Personnel & Administration | \$298,593 | \$50,131 | 1 | (\$248,461) | -83% | 0% | \$0 |
| BAA | Department of Agriculture | \$28,711 | \$23,068 | | (\$3,643) | -14% | 100% | (\$3,643) |
| CAA | Department of Corrections | \$730,285 | \$946,155 | 2 | \$215,870 | 30% | 100% | \$215,870 |
| DAA | Department of Education | \$29,969 | \$32,970 | | \$3,001 | 10% | 100% | \$3,001 |
| EAA | Office of the Governor | \$11,935 | \$49,046 | 3 | \$37,111 | 311% | 100% | \$37,111 |
| FAA | Department of Public Health and Environment | \$151,296 | \$150,282 | | (\$1,015) | -1% | 0% | \$0 |
| GAA | Department of Higher Education | \$0 | \$0 | | \$0 | | 100% | \$0 |
| HAA | Department of Transportation (Not Approp) | \$738,870 | \$716,901 | 4 | (\$21,969) | -3% | 0% | \$0 |
| IHA | Department of Human Services | \$2,021,498 | \$2,004,969 | 5 | (\$16,528) | -1% | 65% | (\$10,743) |
| JAA | Judicial | \$595,783 | \$509,608 | 6 | (\$86,175) | -14% | 100% | (\$86,175) |
| KAA | Department of Labor & Employment | \$96,655 | \$89,685 | | (\$6,969) | -7% | 0% | \$0 |
| LAA | Department of Law | \$0 | \$0 | | \$0 | | 100% | \$0 |
| MAA | General Assembly | \$0 | \$0 | | \$0 | | 100% | \$0 |
| NAA | Department of Local Affairs | \$29,492 | \$34,316 | | \$4,824 | 16% | 62% | \$2,991 |
| OAA | Department of Military Affairs | \$0 | \$0 | | \$0 | | 100% | \$0 |
| PAA | Department of Natural Resources | \$780,952 | \$762,039 | | (\$18,913) | -2% | 55% | (\$10,402) |
| RAA | Department of Public Safety | \$926,157 | \$929,851 | | \$3,694 | 0% | 72% | \$2,660 |
| SAA | Department of Regulatory Agencies | \$2,417 | \$2,426 | | \$9 | 0% | 0% | \$0 |
| TAA | Department of Revenue | \$1,204,906 | \$1,403,865 | 7 | \$198,959 | 17% | 31% | \$61,677 |
| UHA | Department of Health Care Policy & Finance | \$0 | \$0 | | \$0 | | 50% | \$0 |
| VAA | Secretary of State | \$53,524 | \$53,728 | | \$204 | 0% | 0% | \$0 |
| WAA | Department of Treasury | \$0 | \$0 | | \$0 | | 100% | \$0 |
| STATE | TOTAL BILLING ALL STATE AGENCIES | \$7,699,042 | \$7,759,042 | | \$60,000 | 1% | | \$212,347 |
| | TOTAL BILLING ALL STATE AGENCIES (appropriated) | \$6,960,173 | \$7,042,141 | | \$81,968 | 1% | | |

Note: This table indicates the estimated net increase (decrease) for MNT by Department FY06 vs. FY06 Amended.

- Note 1** Results of reassignment of certain GGCC circuits to appropriate department
- Note 2** This is a reduction from FY05, but still an increase from original request
- Note 3** OIT circuit expense to Broomfield campus had been eliminated, but now replaced with circuit expense to 225 16th
- Note 4** CDOT is not appropriated - for reference only
- Note 5** Includes \$360,00 circuit expense of moving CDHS billing to DoIT that was included in a FY05 Supplemental Request
- Note 6** Includes 28 new Judicial T-1's (previously were direct bill 64k circuits) plus results of FY05 true up
- Note 7** Includes 12 months of lottery terminals @\$8,694.75 per month (\$104,337) plus results of FY05 true up

| MNT Recoverable Costs | FY 05 (per figure setting) | FY06 Recoverable Costs | Difference |
|---|--------------------------------|------------------------------|-----------------------|
| DoIT Network Services Operating Expenses | | | |
| Circuits - Qwest Single Bill | \$ 4,200,000 | \$ 4,260,000 | \$ 60,000 |
| Circuits - Qwest Frame | \$ 1,800,000 | \$ 1,860,000 | \$ 60,000 |
| Circuits - Moves/Adds/Changes | | \$ - | \$ - |
| Nms - based on June 2004 | \$ 624,000 | \$ 480,000 | \$ (144,000) |
| OCC | | \$ - | \$ - |
| Equipment Maintenance | | \$ 480,000 | \$ 480,000 |
| LATA Crossing Costs | \$ 84,000 | \$ 84,000 | \$ - |
| FRGP (Internet) Costs | \$ 174,000 | \$ 120,000 | \$ (54,000) |
| \$348 adjustment to balance | \$ 348 | \$ - | \$ (348) |
| ANAP fees (1 yr of Silverton) | \$ 1,936,724 | \$ 365,004 | \$ (1,571,720) |
| Subtotal MNT Operating with ANAP Costs | \$ 8,819,072 | \$ 7,649,004 | \$ (1,170,068) |
| Personnel Costs (DoIT Network Services) | \$ 917,866 | \$ 998,968 | \$ 81,102 |
| POTS (Incl in Personnel Costs in FY 05) | \$ - | \$ 40,961 | \$ 40,961 |
| Allocated Overhead | \$ 268,621 | \$ 233,044 | \$ (35,577) |
| Central Appropriations | \$ 34,799 | \$ 37,065 | \$ 2,266 |
| Subtotal MNT with ANAP Costs | \$ 10,040,358 | \$ 8,959,042 | \$ (1,081,316) |
| Less Revenues from Non State Agencies | \$ (1,200,000) | \$ (1,200,000) | \$ - |
| Revenues from State Agencies | \$ 8,840,358 | \$ 7,759,042 | \$ (1,081,316) |
| TOTAL MNT BILLING | \$ 10,040,358 | \$ 8,959,042 | \$ (1,081,316) |
| <i>total MNT billing/revenue State Agencies</i> | <i>\$ 8,840,358</i> | <i>\$ 7,759,042</i> | <i>\$ (1,081,316)</i> |

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**Schedule 6
STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05**

Department: Personnel and Administration
 Priority Number: Statewide Supplemental #4
 Division: Executive Office, Division of Information Technologies
 Program: Computer Services
 Request Title: GGCC Mid-Year Supplemental True Up

Dept. Approval: [Signature]
 OSPB Approval: [Signature]
 Statutory Citation: 24-30-1606 (1), C.R.S.

Date: January 3, 2005
 Date: 12/28/04

Budget Analyst: Robb Fuller

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|---|-------------|--------------------------------------|----------------------------------|---|--|---------------------------------|--|---------------------------------------|-------------------------------------|--|--|
| Total of all line items | Total | \$1,216,908 | \$1,390,871 | (\$120,118) | \$1,270,753 | \$1,319,100 | \$0 | \$1,319,100 | \$0 | \$1,319,100 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 1,113,917 | 1,311,591 | (113,271) | 1,198,320 | 1,243,910 | 0 | 1,243,910 | 0 | 1,243,910 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 102,991 | 79,280 | (6,847) | 72,433 | 75,190 | 0 | 75,190 | 0 | 75,190 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Purchase of Services from Customer Services | Total | \$1,216,908 | \$1,390,871 | (\$120,118) | \$1,270,753 | \$1,319,100 | \$0 | \$1,319,100 | \$0 | \$1,319,100 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 1,113,917 | 1,311,591 | (113,271) | 1,198,320 | 1,243,910 | | 1,243,910 | | 1,243,910 | |
| | CF | | | | | | | | | | |
| | CFE | 102,991 | 79,280 | (6,847) | 72,433 | 75,190 | | 75,190 | | 75,190 | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Fund 602

IT Request: No

Supplemental and Budget Amendment Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes - Statewide Supplemental Request impacting multiple departments.

Efficiency and Effectiveness Analysis FY 2004-05 Supplemental Request

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Information Technology

Program: Computer Services

Request Title: Purchase of Services from Computer Center (GGCC) Mid-Year Supplemental True-up

Request Criteria New Data

Priority Number: Statewide Supplemental # 4

Summary of Request

This is a statewide Supplemental Request that adjusts the distribution of appropriations to all departments using appropriations for Purchase of Services from the Computer Center (GGCC), and includes a change to the total recoverable program costs. The total statewide request is for a decrease of \$510,802 in appropriations and anticipated billings for GGCC. There is no spending authority adjustment necessary to the Division of Information Technology, Computer Services as a result of this request. Refer to Attachment A for individual department needs and a summary of FY 2004-05 recoverable costs.

The DPA share of this statewide request, as reflected on the attached Schedule 6, is for a decrease of \$120,118 total funds (with a corresponding decrease of \$113,270 General Fund) to the Executive Office, Purchase of Services from Computer Center line item.

Note: In prior years, a footnote to the Long Bill required that an annual mid year review of the cost allocation methodology for General Government Computer Center services be submitted to the JBC for review no later than January 1 for statewide supplemental consideration. This footnote was eliminated from the Long Bill in the current fiscal year, however, JBC staff noted during figure setting that while the footnote was no longer necessary that the Department and the Committee have established the necessary expectations regarding the need for an annual supplemental for this program.

Problem or Opportunity Definition

The General Government Computer Center (GGCC) changed to a cost allocation billing methodology in FY 2001-02. This methodology establishes department appropriations based upon historical usage patterns. Departments are charged a fixed monthly fee that is 1/12 of the departments' appropriation.

In FY 2002-03 and FY 2003-04 the Department submitted supplemental requests to adjust departmental appropriations based upon the most recent full-year utilization rates available at the time. This Supplemental Request updates FY 2004-05 appropriations to reflect the FY 2003-04 utilization rates and updated program cost estimates. (The current FY 2005-06 Common Policy request is already based upon FY 2003-04 utilization rates, and during FY 2005-06, will be adjusted via another Supplemental Request based upon final FY 2004-05 utilization.)

In addition to updating departmental appropriations based on the most current utilization and program costs, this request typically adjusts department appropriations to reflect any over-collection or under-collection in the prior fiscal year. In FY 2003-04, the Department had a targeted end-of-year working capital fund balance of \$1,750,000, however, the actual working capital within the fund was \$1,675,780 at year-end close. The difference, \$74,220, would reflect an under-collection that would typically be distributed to departments in FY 2004-05 to comply with the cost allocation methodology, however, in light of continuing budgetary constraints in the current fiscal year, the Department has determined that it would not propose to over-collect in FY 2004-05.

The Department has also included in this request a revision to the costs to be recovered through the historical cost allocation methodology. This is consistent with all previously submitted supplemental mid-year true ups, for GGCC which have always included similar updated program cost estimates for the Data Center. Further, the Department is not requesting adjustments to the DPA spending authority, as the appropriated spending authority, as approved by the Committee during FY 2004-05 figure setting, is sufficient. The Department is merely seeking to recover its costs, which would not be possible without adding the updated cost basis to the cost allocation model

It is necessary to adjust the program cost estimates for the Data Center in the true-up supplemental due to timing issues. For example, the FY 2004-05 Common Policy for this program was initially developed in July/August 2003. This is prior to the development of the Department's initial base budget estimate in August, prior to the Department's November 1st budget submission to the JBC, and prior to the JBC figure setting process. Therefore, the Department develops the Data Center Common Policies based upon historical base budget adjustments rather than upon current fiscal year budget adjustments approved by OSPB or the JBC. This is not problematic as the Common Policy figures included in the Long Bill each year are simply initial estimates of recoverable program costs and allocations to agencies, to be updated through the annual supplemental true-up process.

The cost basis for the Data Center as contained in this FY 2004-05 Supplemental Request is based upon the FY 2004-05 program appropriations and program allocations from central

appropriations (POTs). Therefore, the Joint Budget Committee has already approved the departmental costs. This supplemental seeks only to ensure that the Department is able to recover costs equal to these approved appropriations.

Available Alternatives

Alternative #1 (Recommended)

The cost allocation billing methodology must meet with federal guidelines (for example, OMB circular A-87 establishes that budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes) and must be consistently applied in order for the State to avoid federal penalties, which can be substantial. The adjustment must be made in order to follow the cost allocation methodology. The only alternative is to make the adjustment through the supplemental process.

The method proposed by DPA in calculating the mid-year departmental adjustments for this request performs a true-up for each individual department for the previous year in order to distribute the over-collection or under-collection based on actual usage, and then separately adjusts the department's current year appropriation based on the most recent usage percentage. The combination of the two adjustments results in the net Supplemental Request for a particular department.

The DPA methodology is compliant with the nature of the cost allocation methodology associated with Common Policies that require an annual true-up, as the DPA methodology identifies necessary adjustments on a department-by-department basis. This yields more accurate results for individual agencies, as well as in aggregate. Furthermore, State and federal government mandates require a methodology that is both consistent with established guidelines and consistent in its application, and this request adheres to both of these principles.

Alternative #2

Alternative #2 would continue with the status quo, which is inequitable, and inconsistent with the Truth-in-Rates methodology. This alternative also takes no action to realign statewide GGCC appropriations to reflect updates to utilization and cost basis, which would not be prudent under any circumstance.

Statutory and Other Authority

Section 24-30-1606, C.R.S.

Linkage to Objectives

DPA FY 2005-06 Strategic Plan:

Departmental goal: *Extend the Truth-in-Rates Philosophy Departmentwide.*

Associated objectives included the following: *Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services and remain competitive.*

Departmental goal: *Create and Enhance Stakeholder Relationships.*

Associated objectives included the following: *Facilitate and coordinate statewide and Common Policy related Change Requests and legislation that affects multiple stakeholders and State departments.*

Departmental goal: *Play a Central Role in Using Information Technology to Streamline Government.*

Associated objectives included the following: *Continue to maximize network and computer infrastructure priorities to generate optimal capacity and efficiencies in costs.*

Assessment of Alternatives

Alternative #1 (Recommended)

As referenced in prior requests, the GGCC cost allocation billing methodology must meet with federal guidelines and must be consistently applied in order for the State to avoid federal penalties, which can be substantial. In the current fiscal year, this adjustment should be made through the FY 2004-05 supplemental process. If this request is not approved, the Department would be unable to justify that its level of billings to customers is equitable, and based on actual utilization. Further, if the Joint Budget Committee does not approve the revised cost basis, the Department will not fully recover all of its costs for GGCC services. Section 24-30-1606 (1), C.R.S. requires "Users of GGCC services shall be charged by the department of personnel the full cost of the particular service, which shall include the cost of all material, labor, equipment, software, services, and overhead." As a result, Alternative 1 is recommended in order to remain consistent with the Truth-in-Rates initiative.

Alternative #2

Alternative 2 would continue with the status quo, and would leave appropriations for GGCC at current levels as appropriated in the FY 2004-05 Long Bill. This alternative is not recommended as it would leave current year appropriations at a level that was originally calculated based on FY 2002-03 (not FY 2003-04) utilization, and includes cost basis assumptions that are nearly a year out of date.

Concerns or Uncertainties

The Department is concerned that the State will be subject to federal penalties if an accurate allocation methodology is not adopted for the Purchase of Services from the Data Center.

Conclusion/Recommendation:

The Department recommends Alternative #1, which is consistent with Truth-in-Rates. This alternative updates the statewide allocation for GGCC for FY 2004-05 to ensure equitable treatment of State agency GGCC customers, to remain consistent with the Truth-in-Rates philosophy, and continues to allow for the provision of GGCC at the necessary service levels for our customers in current and future fiscal years.

Attachment A

FY 2004-05 Statewide Supplemental for GGCC

| Department | FY 2003-04 Actual Utilization Percent | FY 2004-05 Revised Appropriation | FY 2004-05 Initial Allocation | Suppl Incr/Decr |
|---------------------|--|-------------------------------------|----------------------------------|--------------------|
| Agriculture | 0.020% | 2,432 | 12,667 | (10,235) |
| Corrections | 0.320% | 38,913 | 54,469 | (15,556) |
| Education | 0.080% | 9,728 | 13,934 | (4,206) |
| Governor | 0.020% | 2,432 | 19,001 | (16,569) |
| HCPF | 1.340% | 162,948 | 296,415 | (133,467) |
| Higher Education | 0.460% | 55,937 | 63,337 | (7,400) |
| Human Services | 42.610% | 5,181,510 | 5,120,129 | 61,381 |
| Judicial | 0.920% | 111,875 | 163,408 | (51,533) |
| Labor | 12.050% | 1,465,318 | 1,418,739 | 46,579 |
| Law | 0.350% | 42,561 | 38,002 | 4,559 |
| Legislature | 0.070% | 8,512 | 13,934 | (5,422) |
| Local Affairs | 0.030% | 3,648 | 11,401 | (7,753) |
| Military Affairs | 0.020% | 2,432 | 7,600 | (5,168) |
| Natural Resources | 1.450% | 176,325 | 239,412 | (63,087) |
| Personnel | 10.450% | 1,270,753 | 1,390,871 | (120,118) |
| Public Health | 1.420% | 172,676 | 238,146 | (65,470) |
| Public Safety | 0.380% | 46,209 | 58,270 | (12,061) |
| Regulatory Agencies | 0.240% | 29,185 | 62,070 | (32,885) |
| Revenue | 27.430% | 3,335,574 | 3,364,439 | (28,865) |
| State | 0.010% | 1,216 | 24,068 | (22,852) |
| Transportation | 0.300% | 36,481 | 50,669 | (14,188) |
| Treasury | 0.010% | 1,216 | 3,800 | (2,584) |
| Local Gov't | 0.020% | 2,432 | 6,334 | (3,902) |
| Subtotal | 100.000% | 12,160,313 | 12,671,115 | (510,802) |

Attachment A – continued

| GGCC FY 2004-05 Recoverable Costs | |
|--|-----------------------|
| <i>Administration</i> | |
| Personal Services | 232,974 |
| POTS Expenditures Includes STD | 23,436 |
| Operating Expenses | 4,193 |
| Subtotal - Administration | 260,603 |
| <i>Customer Services</i> | |
| Personal Services | 705,015 |
| POTS Expenditures Includes STD | 39,240 |
| Operating Expenses | 12,431 |
| Subtotal - Customer Services | 756,686 |
| <i>Computer Services</i> | |
| Personal Services | 2,452,302 |
| POTS Expenditures | 188,930 |
| STD | 3,420 |
| Operating Expenses | 6,181,350 |
| CPU | 336,034 |
| Indirect Costs | 701,326 |
| HIPAA | <u>480,881</u> |
| Subtotal - Customer Services | 10,344,243 |
| OVERHEAD | |
| Capitol Complex | 377,311 |
| Workers' Comp | 16,102 |
| Shift | 38,554 |
| Property and Liability | 61,760 |
| MNT | 83,871 |
| Legal Services | 1,469 |
| Add Depreciation | 219,716 |
| Add Compensated Absences | <u>0</u> |
| Subtotal - Overhead | <u>798,782</u> |
| TOTAL | 12,160,313 |

Note that recoverable costs for MNT are consistent with adjustments contained in the MNT FY 2004-05 Supplemental True-Up submitted January 3, 2005 due to the relatively significant adjustment contained therein. Similarly, other updates may need to be made to cost components based upon actions taken at figure setting.

**Schedule 6
STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05**

Department: Personnel and Administration
Priority Number: Statewide Supplemental #5
Division: Executive Office, Division of Administrative Hearings
Program: Administrative Law Judge Services
Request Title: ALJ Mid-Year Supplemental True Up

Dept. Approval: *[Signature]*
OSPB Approval: *[Signature]*
Statutory Citation: 24-4-1001 & 1002, C.R.S.

Date: January 3, 2005
Date: *1/21/05*

Budget Analyst: Eric Fiolkoski

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|---|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$0 | \$0 | \$1,781 | \$1,781 | \$1,969 | \$0 | \$1,969 | \$0 | \$1,969 | \$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 | 1,781 | 1,781 | 1,969 | 0 | 1,969 | 0 | 1,969 | 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 |
| Executive Office, Administrative Law Judge Services | Total | \$0 | \$0 | \$1,781 | \$1,781 | \$1,969 | \$0 | \$1,969 | \$0 | \$1,969 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | 1,781 | 1,781 | 1,969 | | 1,969 | | 1,969 | |
| | CF | | | | | | | | | | |
| | CFE | | | | | | | | | | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Fund 611

IT Request: No

Supplemental and Budget Amendment Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes - Statewide Supplemental Request impacting multiple departments.

Efficiency and Effectiveness Analysis FY 2004-05 Supplemental Request

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Administrative Hearings

Program: Administrative Law Judge Services

Request Title: Administrative Law Judge Services (ALJ) Mid-Year Supplemental True-up

Request Criteria New Data

Priority Number: Statewide Supplemental #5

Summary of Request

This is a statewide Supplemental Request that adjusts the distribution of appropriations to all departments using Administrative Law Judge Services (ALJ), and includes a minor change to total recoverable program costs. The total statewide request is for a decrease of \$286,981 in appropriations for Administrative Law Judge Services, and anticipated billings. There is no spending authority adjustment necessary to the Division of Administrative Hearings as a result of this request. Please refer to Attachment A for individual department needs and a summary of FY 2004-05 recoverable costs for the program.

The DPA share of this statewide request, as reflected on the attached Schedule 6, is for an increase of \$1,781 General fund to the Executive Office, Administrative Law Judge Services line item.

Note: In prior years, a footnote to the Long Bill required that an annual mid year review of the cost allocation methodology for Administrative Law Judge Services be submitted to the JBC for review no later than January 1 for statewide supplemental consideration. This footnote was eliminated from the Long Bill in the current fiscal year. However, JBC staff noted during figure setting that while the footnote was no longer necessary, the Department and the Committee have established the necessary expectations regarding the need for an annual supplemental for this program.

Problem or Opportunity Definition

The Department changed to a cost allocation billing methodology for Administrative Law Judge Services in FY 2001-02. This methodology establishes department appropriations based upon historical usage patterns. Departments are charged a fixed monthly fee that is equal to 1/12th of their ALJ Services appropriation.

In FY 2002-03 and FY 2003-04 the Department submitted supplemental requests to adjust departmental appropriations based upon the most recent full-year utilization rates available. This was done to allow for a more current and equitable distribution of program costs to agencies utilizing ALJ services. This Supplemental Request updates FY 2004-05 appropriations to reflect the FY 2003-04 utilization rates and updated program cost estimates. (The current FY 2005-06 Common Policy request is already based upon FY 2003-04 utilization rates and, during FY 2005-06, will be adjusted via another Supplemental Request based upon final FY 2004-05 utilization.)

In addition to updating departmental appropriations based on the most current utilization and program costs, this request adjusts department appropriations to reflect any over-collection or under-collection in the prior fiscal year. In FY 2003-04, the Department had a targeted end-of-year working capital fund balance of \$300,000, however, the actual working capital within the fund was \$597,914 at year-end close. The difference, \$297,914, would ordinarily be credited back to departments in FY 2004-05 to comply with the cost allocation methodology. As reflected later in the request, the recommended alternative would address the FY 2003-04 overcollection to departments in the manner referenced above, however, the Department has also provided a second alternative that would not redistribute the over-collection to departments, and would instead contemplate an increase in the working capital balance to address unforeseen expenditures/contingencies in current and future fiscal year. To the extent that such contingencies do not materialize, the Department would address credits related to the over-collection in the FY 2005-06 mid year supplemental true up.

The Department has also included in this request a revision of the costs to be recovered through the historical cost allocation methodology. This is consistent with all previously submitted supplemental mid-year true-ups, which have previously included similar updated program cost estimates for the Division of Administrative Hearings. Further, the Department is not requesting adjustments to the DPA spending authority, as the appropriated spending authority, as approved by the Committee during FY 2004-05 figure setting, is sufficient. The Department is merely seeking to recover its costs, which would not be possible without adding the updated cost basis to the cost allocation model.

It is necessary to adjust the program cost estimates for Administrative Law Judge Services in the true-up supplemental due to timing issues. For example, the FY 2004-05 Common Policy for this program was initially developed in July/August 2003. This is prior to the development of the Department's initial base budget estimate in August, prior to the Department's November 1st budget submission to the JBC, and prior to the JBC figure setting process. Therefore, the Department develops the ALJ Common Policy based upon historical base budget adjustments rather than upon current fiscal year budget adjustments approved by OSPB or the JBC. This is

not problematic because the Common Policy figures included in the Long Bill each year are simply initial estimates (both recoverable program costs and allocations to agencies) to be updated through the supplemental true-up process.

The cost basis for the provision of Administrative Law Judge Services as contained in this FY 2004-05 Supplemental Request is based upon the FY 2004-05 program appropriations and program allocations from central appropriations (POTS). Therefore, the Joint Budget Committee has already approved the departmental costs. This supplemental seeks only to ensure that the Department is able to recover costs equal to these approved appropriations.

Available Alternatives

Alternative #1 (Recommended) - Refer to Attachment A for departmental allocations under this alternative.

Cost allocation billing methodologies must meet federal guidelines (for example, OMB circular A-87 establishes that budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes), and must be consistently applied in order for the State to avoid federal penalties, which can be substantial. Adjustments must be made in order to follow the cost allocation methodology and the only alternative is to make an adjustment through the supplemental process.

DPA's proposed method in calculating the mid-year departmental adjustments for this request performs a true-up for each individual department for the previous year in order to distribute the over-collection or under-collection based on actual usage, and then separately adjusts the department's current year appropriation based on the most recent usage percentage. The combination of the two adjustments results in the net Supplemental Request for a particular department.

The DPA methodology complies with the cost allocation methodology associated with Common Policies that require an annual true-up because the DPA methodology identifies necessary adjustments on a department-by-department basis. This yields more accurate results for individual agencies as well as in aggregate. Furthermore, State and federal government mandates require a methodology that is both consistent with established guidelines and consistent in its application. This request adheres to both of these principles.

Alternative #2 – Refer to Attachment B for departmental allocations under this alternative.

Alternative #2 is identical to Alternative 1 above, with one exception. Under this alternative, the Department seeks to increase the working capital reserve balance from \$300,000 to \$600,000 to address contingencies above and beyond the working capital needs. With regard to potential unforeseen expenditures/contingencies, the Department notes two examples, one that has already occurred and been addressed via current FY 2004-05 appropriations, and another that is more prospective in nature. In FY 2003-04, the Department submitted a FY 2004-05 Change Request to procure and implement a new case management software system/application for the Division of

Administrative Hearings (DoAH). The \$200,000 required was from available reserves, and therefore did not require appropriations of new monies. In the current fiscal year, the Division is projecting that it will very likely fully utilize the DoAH Personal Services appropriation, based upon current and projected caseload/workload. (For reference, the Division has reverted a fairly minimal amount of approximately 2.5% from its personal services and operating expenses appropriations in the past two fiscal years.) A driving factor on the Division's workload increases in current or future fiscal years is related to legislation from past legislative sessions, and pending legislation in the current session. The following is taken from the Department's response to several fiscal note requests in the 2004 legislative session:

"the Department would like to point out that this proposed legislation, in its current form, does not generate the need for additional administrative law judge resources. Because of the numerous bills pending in the current session that may ultimately have impact on the resources and workload of the Division of Administrative Hearings, it is important to note that the collective impact of several bills may not be able to be absorbed within existing resources. Of course, the aggregate impact of several bills cannot, and should not, be reflected in any single fiscal note. However, if several bills pass that impact administrative law judge services during the current legislative session, it would potentially be necessary that an associated change request be developed and submitted for additional resources."

As a generality, the Department attempts to set targeted reserve levels for DPA cash funds at a level that will be sufficient to address most reasonable contingencies, however, in the case of Fund 611, the current \$300,000 reserve level is not related to contingencies, but is a "working capital balance", and is set at a level to provide for cash flow needs. As such, these funds are already obligated. Any funds that are potentially required for "contingencies" would be in addition to the working capital needs that the reserve level is currently based on.

Statutory and Other Authority

24-4-1001 & 1002, C.R.S.

Linkage to Objectives

DPA FY 2005-06 Strategic Plan:

Departmental goal: *Extend the Truth-in-Rates Philosophy Departmentwide.*

Associated objectives included the following: *Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services and remain competitive.*

Departmental goal: *Create and Enhance Stakeholder Relationships.*

Associated objectives included the following: *Facilitate and coordinate statewide and Common Policy related Change Requests and legislation that affects multiple stakeholders and State departments.*

Assessment of Alternatives

Alternative #1 (Recommended)

As referenced in prior requests, the ALJ cost allocation billing methodology must meet with federal guidelines and must be consistently applied in order for the State to avoid federal penalties, which can be substantial. In the current fiscal year, this adjustment should be made through the FY 2004-05 supplemental process. If this request is not approved, the Department would be unable to justify that its level of billings to customers is equitable and based on actual utilization. Further, if the Joint Budget Committee does not approve the revised cost basis, the Department will not fully recover all of its costs for ALJ services.

Alternative #2

Alternative 2 would perform the true-up in a fashion that is identical to Alternative #1 above, with one exception. This alternative would not address the FY 2003-04 overcollection by crediting back the applicable portions to departments in FY 2004-05, and instead reflects an increase in the level of reserves from \$300,000 to \$600,000 in an attempt to provide for potential contingencies, as the current level of reserves is based only on working capital needs.

Concerns or Uncertainties

The Department is concerned that the State could be subject to federal penalties if an accurate allocation methodology is not approved for Administrative Law Judge Services.

Conclusion/Recommendation:

The Department recommends Alternative #1, which is consistent with Truth-in-Rates. This alternative updates the statewide allocation for FY 2004-05 ALJ services to ensure equitable treatment of State agency ALJ customers, to remain consistent with the Truth-in-Rates philosophy, and continues to allow for the provision of ALJ at the necessary service levels for our customers in current and future fiscal years.

Attachment A – Consistent with Alternative #1

| FY 2004-05 Statewide Supplemental for Administrative Law Judge Services | | | | | | | |
|---|------------------------------|---------------------------------------|---|--|--|-----------------------------|--------------------------|
| Columns | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Department | FY04 Utilization Hours | FY04 Actual Utilization Percent | FY 05 Revised Departmental Allocations w/o FY 05 undercollection | Adjustment for FY 04 overcollection | FY 05 Final Departmental allocations | FY 05 Initial Allocation | FY 05 Suppl Incr/Decr |
| Corrections-Adult Parole | 227.6 | 0.71% | \$ 26,998 | \$ (2,125) | \$ 24,873 | \$ 12,061 | \$ 12,812 |
| Education | 521.8 | 1.64% | 61,895 | \$ (4,872) | \$ 57,024 | 45,984 | \$ 11,040 |
| Public Health & Env | 201.9 | 0.63% | 23,949 | \$ (1,885) | \$ 22,064 | 20,354 | \$ 1,710 |
| Health Care Policy & Fin | 5,578.6 | 17.48% | 661,727 | \$ (52,084) | \$ 609,643 | 676,943 | \$ (67,300) |
| Human Services | 4,436.7 | 13.90% | 526,276 | \$ (41,423) | \$ 484,853 | 558,215 | \$ (73,362) |
| DOLE-Workers' Comp | 18,399.8 | 57.66% | 2,182,562 | \$ (171,787) | \$ 2,010,774 | 2,133,352 | \$ (122,578) |
| DPA | 16.3 | 0.05% | 1,933 | \$ (152) | \$ 1,781 | 0 | \$ 1,781 |
| Law | 2.8 | 0.01% | 332 | \$ (26) | \$ 306 | 6,408 | \$ (6,102) |
| Regulatory Agencies | 1,628.5 | 5.10% | 193,171 | \$ (15,204) | \$ 177,966 | 250,650 | \$ (72,684) |
| Revenue | - | 0.00% | 0 | \$ - | \$ - | 0 | \$ - |
| Secretary of State | 574.5 | 1.80% | 68,146 | \$ (5,364) | \$ 62,783 | 57,291 | \$ 5,492 |
| Transportation | 82.9 | 0.26% | 9,833 | \$ (774) | \$ 9,060 | 7,538 | \$ 1,522 |
| Misc School Districts | 237.6 | 0.74% | 28,184 | \$ (2,218) | \$ 25,966 | 5,277 | \$ 20,689 |
| Colorado Student Loan | - | 0.00% | 0 | \$ - | \$ - | 0 | \$ - |
| Total | 31,909.0 | 100.00% | \$ 3,785,006 | \$ (297,914) | \$ 3,487,092 | \$ 3,774,073 | \$ (296,981) |

Column 2 - Hours utilized by user agencies in FY 2003-04. Includes Judge Hours + Paralegal Hours.

Column 3 - Percent utilization for each user agency. Calculated as FY04 Utilization Hours for a department / Total FY04 Utilization Hours.

Column 4 - Revised Supplemental allocation of costs for FY 05. Calculated as Total Estimated FY05 Costs * FY04 Actual Utilization Percent. This column does not incorporate the adjustment for overcollection/undercollection in the prior fiscal year.

Column 5 - Adjustment for FY 04 (Over)/Under-Collection. Calculated as FY 04 Actual Utilization percent (column 3) multiplied by the FY 04 excess working capital balance of \$297,914. In essence, the \$297,914 is credited back to departments. In addition, the associated letter note for DPA-DOAH funding should indicate \$297,914 is from fund balance.

Column 6 - Final Departmental allocations, which include updated utilization from FY 04, updated program recoverable costs, AND incorporates an FY 05 undercollection based upon FY 04 overcollection of \$297,914.

Attachment A – Continued (Consistent with Alternative #1)

| Administrative Law Judge Services FY 2004-05 | |
|---|------------------|
| Recoverable Costs | |
| Personal Services | 2,794,256 |
| POTS Expenditures | 178,011 |
| Operating Expenses | 148,000 |
| Indirect Costs | <u>240,866</u> |
| Subtotal | 3,361,133 |
| Overhead | |
| Leased Space | 337,262 |
| Cap Complex Leased Space | 16,466 |
| Workers' Comp | 7,663 |
| Property and Liability | 35,155 |
| STD | 3,875 |
| MNT** | 4,976 |
| GGCC** | 14,420 |
| Legal Services | <u>4,056</u> |
| Subtotal | 423,873 |
| TOTAL | 3,785,006 |

**Note that recoverable costs for MNT and GGCC are consistent with adjustments contained in the MNT and GGCC FY 2004-05 Supplemental True-Ups submitted January 3, 2005 due to the relatively significant adjustment contained therein. Similarly, other updates may need to be made to cost components based upon actions taken at figure setting.

Attachment B – Consistent with Alternative #2

| FY 2004-05 Statewide Supplemental for Administrative Law Judge Services | | | | | |
|---|-----------------|----------------|---------------------|---------------------|------------------|
| Columns | 2 | 3 | 4 | | |
| | FY04 | FY04 Actual | FY 05 Revised | FY 05 Initial | FY 05 Suppl |
| Department | Utilization | Utilization | Departmental | Allocation | Incr/Decr |
| | Hours | Percent | Allocations | | |
| Corrections-Adult Parole | 227.6 | 0.71% | \$ 26,998 | \$ 12,061 | \$ 14,937 |
| Education | 521.8 | 1.64% | 61,895 | 45,984 | \$ 15,911 |
| Public Health & Env | 201.9 | 0.63% | 23,949 | 20,354 | \$ 3,595 |
| Health Care Policy & Fin | 5,578.6 | 17.48% | 661,727 | 676,943 | \$ (15,216) |
| Human Services | 4,436.7 | 13.90% | 526,276 | 558,215 | \$ (31,939) |
| DOLE-Workers' Comp | 18,399.8 | 57.66% | 2,182,562 | 2,133,352 | \$ 49,210 |
| DPA | 16.3 | 0.05% | 1,933 | 0 | \$ 1,933 |
| Law | 2.8 | 0.01% | 332 | 6,408 | \$ (6,076) |
| Regulatory Agencies | 1,628.5 | 5.10% | 193,171 | 250,650 | \$ (57,479) |
| Revenue | - | 0.00% | 0 | 0 | \$ - |
| Secretary of State | 574.5 | 1.80% | 68,146 | 57,291 | \$ 10,855 |
| Transportation | 82.9 | 0.26% | 9,833 | 7,538 | \$ 2,295 |
| Misc School Districts | 237.6 | 0.74% | 28,184 | 5,277 | \$ 22,907 |
| Colorado Student Loan | - | 0.00% | 0 | 0 | \$ - |
| Total | 31,909.0 | 100.00% | \$ 3,785,006 | \$ 3,774,073 | \$ 10,933 |

Column 2 - Hours utilized by user agencies in FY 2003-04. Includes Judge Hours + Paralegal Hours.

Column 3 - Percent utilization for each user agency. Calculated as FY04 Utilization Hours for a department / Total FY04 Utilization Hours.

Column 4 - Revised Supplemental allocation of costs for FY 05. Calculated as Total Estimated FY05 Costs * FY04 Actual Utilization Percent.

Attachment B – Continued (Consistent with Alternative #2)

| Administrative Law Judge Services FY 2004-05 | |
|---|------------------|
| Recoverable Costs | |
| Personal Services | 2,794,256 |
| POTS Expenditures | 178,011 |
| Operating Expenses | 148,000 |
| Indirect Costs | <u>240,866</u> |
| Subtotal | 3,361,133 |
| Overhead | |
| Leased Space | 337,262 |
| Cap Complex Leased Space | 16,466 |
| Workers' Comp | 7,663 |
| Property and Liability | 35,155 |
| STD | 3,875 |
| MNT** | 4,976 |
| GGCC** | 14,420 |
| Legal Services | <u>4,056</u> |
| Subtotal | 423,873 |
| TOTAL | 3,785,006 |

**Note that recoverable costs for MNT and GGCC are consistent with adjustments contained in the MNT and GGCC FY 2004-05 Supplemental True-Ups submitted January 3, 2005 due to the relatively significant adjustment contained therein. Similarly, other updates may need to be made to cost components based upon actions taken at figure setting.

**Schedule 6
STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05**

Department: Personnel and Administration
Priority Number: Statewide Supplemental # 6
Division: Executive Office, Division of Information Technologies
Program: Communications Services
Request Title: Communications Services Mid-Year Supplemental True Up

Dept. Approval: *[Signature]*
OSPB Approval: *[Signature]*
Statutory Citation: 24-30-908, C.R.S.

Date: January 3, 2005
Date: 12/28/04

Budget Analyst: Robb Fuller

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$99,252 | \$99,253 | \$41,549 | \$140,802 | \$99,510 | \$0 | \$99,510 | \$0 | \$99,510 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 343 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 98,909 | 99,253 | 41,549 | 140,802 | 99,510 | 0 | 99,510 | 0 | 99,510 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Communications Services Payments | Total | \$343 | \$296 | \$154 | \$450 | \$553 | \$0 | \$553 | \$0 | \$553 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 343 | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | | 296 | 154 | 450 | 553 | | 553 | | 553 | |
| | FF | | | | | | | | | | |
| DoIT Communication Services, Utilities | Total | \$98,909 | \$98,957 | \$41,395 | \$140,352 | \$98,957 | \$0 | \$98,957 | \$0 | \$98,957 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | | | | | | | | | | |
| | CFE | 98,909 | 98,957 | 41,395 | 140,352 | 98,957 | | 98,957 | | 98,957 | |
| | FF | | | | | | | | | | |

*Please note that the requested increased appropriation for Communication Services Utilities should be maintained in the continuation base appropriation in future fiscal years if approved.

Letter Notations:

Cash Fund Name/Number:

IT Request: No

Supplemental and Budget Amendment Criteria: New Data

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes - Statewide Supplemental Request impacting multiple departments.

Efficiency and Effectiveness Analysis FY 2004-05 Statewide Supplemental Request

Department: Department of Personnel & Administration

Long Bill Group/Division: Division of Information Technology

Program: Communication Services

Request Title: Communication Services Mid-Year Supplemental True-up

Request Criteria New Data

Priority Number: Statewide Supplemental # 6

Summary of Request

This is a statewide Supplemental Request impacting the Communications Services Payments line item appropriations for all departments using services as provided by the Division of Information Technology, Communications Services, and includes adjustments to recoverable program costs. The Communications Services Payments line item represents a department's share of the overhead related to the public safety communications infrastructure. The total statewide request is for an increase of \$909,405 in appropriations for Communications Services Payments, and anticipated billings. The only spending authority adjustment necessary to the Division of Information Technology, Communications Services as a result of this request is an increase to the Communications Services Utilities line item in the amount of \$41,395, with justification detailed later in the request. Please refer to Attachment A for individual department needs and a summary of FY 2004-05 recoverable costs for the program.

The DPA share of this statewide request, as reflected on the attached Schedule 6, is for an increase of \$154 cash funds exempt to the Executive Office, Communications Services Payments line item.

Problem or Opportunity Definition

Communications Services changed to a cost allocation billing methodology in FY 2003-04 as a result of SB 03-178. The Joint Budget Committee sponsored SB 03-178 during the 2003 legislative session to lift restrictions on the revenue the Department could collect for Communication Services Payments. This methodology establishes department appropriations based upon the total inventory of mobile, portable and DTR radios in use by departments. Departments are billed a fixed monthly fee that is 1/12th of the appropriation.

The first component of this Supplemental Request proposes that the departmental allocations for communications services be redistributed based upon a revision to the number of radios in use by departments. (Subsequent to the development of the FY 2004-05 departmental allocations, departments provided updated radio inventories in the spring of 2004.) This methodology will make minimal adjustments to the appropriations made in the FY 2004-05 Long Bill, HB 04-1422. This cost allocation methodology, based on actual utilization, is similar to that used in the annual statewide supplemental true-up requests for the Purchase of Services from the Computer Center (GGCC) and for Administrative Law Judge Services (ALJ). This request seeks to realign FY 2004-05 appropriations to reflect the most current radio inventory by department.

The second component of this request involves updating the recoverable costs for the program. This is consistent with other similar Common Policy oriented supplemental true ups (i.e. GGCC, ALJ, MNT, etc). The initial program cost estimates for the program for FY 2004-05 were calculated and approved during the figure setting process in the spring of 2004. DPA is now able to provide a much more precise and accurate projection of recoverable costs at the midpoint of FY 2004-05, and this request seeks to update the cost basis for this Common Policy appropriation to ensure that billings for the remainder of the fiscal year are sufficient to fund personal services, operating expenses, indirect costs, the programs share of central departmental appropriations and POTS, and other overhead associated with the provision of the statewide Public Safety Network for the benefit of State agency and local government entities.

Included in the updates to recoverable program costs is a requested increase to the Communications Services Utilities appropriation. This request seeks to increase the appropriation for DoIT Communications Services Utilities by \$41,395 cash funds exempt for FY 2004-05 with the increase maintained in the continuation base for FY 2005-06 and future years. For reference, Communication Services is required by statute to provide seamless, uninterrupted voice and data communications deemed essential for Public Safety agencies throughout the State of Colorado. To meet this requirement Communication Services has added significant infrastructure during the last six years. The continuation level appropriation of \$98,957 contained in the FY 2004-05 Long Bill is forecast to be short of meeting actual utilities costs based on prior year expenditures. Refer to the table below for historical detail. The additional \$41,395 cash funds exempt included in this request for FY 2004-05 and future years was calculated by taking the actual expenditures in the most recently completed fiscal year, and adding a 10% margin to address rate increases. Note that the requested increase would be designated as cash funds exempt and that associated revenues would be recovered through the Communications Services Payments Common Policy annually.

| | FY 2002-03 | FY 2003-04 |
|--|------------------|------------------|
| <i>DoIT Communication Services Utilities Appropriation</i> | \$98,957 | \$98,957 |
| <i>Actual Expenditures</i> | | |
| DoIT Communication Services Utilities | \$98,957 | \$98,909 |
| Other Operating Line Items | \$28,921 | \$37,680 |
| <i>Total Expenditures</i> | \$127,878 | \$136,589 |
| | | |
| <i>Shortfall in Utilities Appropriation</i> | \$28,921 | \$37,632 |

Finally, many components of the cost basis as contained in this FY 2004-05 Supplemental Request are based upon the FY 2004-05 program appropriations and program allocations from central appropriations (POTs). Therefore, the Joint Budget Committee has already approved many of these departmental costs. This supplemental seeks only to ensure that the Department is able to recover costs equal to these approved appropriations.

Available Alternatives

Alternative #1 (Recommended)

The cost allocation billing methodology must meet with federal guidelines (for example, OMB circular A-87 establishes that budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes) and must be consistently applied in order for the State to avoid federal penalties, which can be substantial. The adjustment must be made in order to follow the cost allocation methodology. The only alternative is to make the adjustment through the supplemental process annually.

The DPA methodology is compliant with the nature of the cost allocation methodology associated with Common Policies that require an annual true-up, as the DPA methodology identifies necessary adjustments on a department-by-department basis, which yields more accurate results for individual agencies, as well as in aggregate. Furthermore, State and federal government mandates require a methodology that is both consistent with established guidelines and consistent in its application, and this request adheres to both of these principles.

Alternative #2

Alternative #2 would continue with the status quo, which is inequitable, inconsistent with the Truth-in-Rates methodology. This alternative also takes no action to realign statewide Communications Services Payments appropriations to reflect updates to utilization (radio inventory) and cost basis, which would not be prudent under any circumstance.

Statutory and Other Authority

Section 24-30-908, C.R.S.

Linkage to Objectives

DPA FY 2005-06 Strategic Plan:

Departmental goal: *Extend the Truth-in-Rates Philosophy Departmentwide.*

Associated objectives included the following: *Continue the Truth-in-Rates philosophy to ensure that rates recover the cost of services and remain competitive.*

Departmental goal: *Create and Enhance Stakeholder Relationships.*

Associated objectives included the following: *Facilitate and coordinate statewide and Common Policy related Change Requests and legislation that affects multiple stakeholders and State departments.*

Assessment of Alternatives

Alternative #1 (Recommended)

Alternative 1 would provide the mechanism to update appropriations for State agency customers that would reflect the most current radio inventory for FY 2004-05, and updated recoverable costs. If this request is not approved, some customers would be billed inappropriately for inventory that belonged to other agencies, resulting in an inequitable allocation methodology, and the program would be unable to recover its full costs for providing services. Therefore, Alternative 1 is the recommended alternative.

Alternative #2

Alternative 2 would continue with the status quo, and would leave appropriations for GGCC at current levels, as appropriated in the FY 2004-05 Long Bill. This alternative is not recommended as it would leave current year appropriations at a level that was originally calculated based on FY 2002-03 (not FY 2003-04) utilization and includes cost basis assumptions that are nearly a year out of date.

Concerns or Uncertainties

The Department is concerned that the State could be subject to penalties if an accurate allocation methodology is not approved for Communications Services.

Assumptions and Calculations

Refer to Attachment A for the requested statewide supplemental appropriations for FY 2004-05 by department and detail of the recoverable costs for Communications Services Payments.

Conclusion/Recommendation:

The Department recommends Alternative #1, which updates statewide appropriations for Communications Services Payments for FY 2004-05, ensures equitable treatment of State agency customers, remains consistent with the Truth-in-Rates philosophy, and continues to allow for the provision of the statewide Public Safety Network at the necessary service levels for our customers in current and future fiscal years.

Attachment A

| FY 2004-05 Radio Inventory (as of October 31, 2004) and Statewide Supplemental Appropriations | | | | | | | | |
|---|--------------|--------------|--------------|---------------|----------------------------------|--------------------------------|--------------------|--------------------|
| Department | Mobile | Portable | DTR | Totals | Number of Subscriber Radios | FY 05 Revised Appropriation | FY 05 Long Bill | Suppl Incr/decr |
| Agriculture | 20 | - | 12 | 32 | 0.2% Agriculture | \$ 7,203 | \$ 4,886 | \$ 2,317 |
| DPA Network Services | - | - | 2 | 2 | 0.0% DPA Network Services | \$ 450 | \$ 296 | \$ 154 |
| Corrections | 459 | 2,492 | 2,036 | 4,987 | 34.1% Corrections | \$ 1,122,539 | \$ 733,353 | \$ 389,235 |
| Education | 2 | 10 | - | 12 | 0.1% Education | \$ 2,701 | \$ - | \$ 2,701 |
| Higher Education | 97 | 148 | 130 | 375 | 2.6% Higher Education | \$ 84,414 | \$ 58,189 | \$ 26,225 |
| Human Services | 20 | 208 | 62 | 290 | 2.0% Human Services | \$ 65,290 | \$ 44,715 | \$ 20,555 |
| Judicial | 16 | 14 | 12 | 42 | 0.3% Judicial | \$ 9,454 | \$ 6,219 | \$ 3,235 |
| Labor & Employment | 1 | 2 | - | 3 | 0.0% Labor & Employment | \$ 675 | \$ 444 | \$ 231 |
| Law | 3 | - | 6 | 9 | 0.1% Law | \$ 2,026 | \$ 888 | \$ 1,138 |
| Local Affairs | 26 | 20 | 20 | 66 | 0.5% Local Affairs | \$ 14,657 | \$ - | \$ 14,657 |
| Military Affairs | - | - | 40 | 40 | 0.3% Military Affairs | \$ 9,004 | \$ 9,476 | \$ (472) |
| Natural Resources | 1,064 | 810 | 892 | 2,766 | 18.9% Natural Resources | \$ 622,635 | \$ 395,179 | \$ 227,455 |
| Public Health & Environment | 13 | - | 7 | 20 | 0.1% Public Health & Environment | \$ 4,502 | \$ 2,961 | \$ 1,541 |
| Public Safety | 1,008 | 463 | 1,178 | 2,649 | 18.1% Public Safety | \$ 596,298 | \$ 395,852 | \$ 210,446 |
| Revenue | 88 | 71 | 104 | 263 | 1.8% Revenue | \$ 59,202 | \$ 38,939 | \$ 20,263 |
| Transportation | 967 | 376 | 1,740 | 3,083 | 21.1% Transportation | \$ 693,993 | \$ 704,481 | \$ (10,488) |
| Totals | 3,784 | 4,614 | 6,241 | 14,639 | 100.0% Totals | \$3,295,283 | \$2,385,878 | \$909,405 |

| FY 2004-05 Recoverable Costs | |
|------------------------------------|------------------|
| Personal Services | 3,261,450 |
| POTS | 226,779 |
| Operating Expenses | 126,631 |
| Training | 22,000 |
| Utilities | 140,352 |
| Indirect Costs | 363,451 |
| Workers Comp | 21,601 |
| Liability & Property | 68,109 |
| Leased Space | 112,840 |
| Capitol Complex | 9,728 |
| Vehicle Lease Payments | 98,988 |
| Local Systems Development | 71,531 |
| Other Overhead | 0 |
| TOTAL Recoverable Costs | 4,523,460 |
| Public Safety Comm. Trust Fund | (721,134) |
| CF from "other non-State agencies" | (126,491) |
| Less Local Govt GF | (369,361) |
| Less DPHE | (66,151) |
| Less NOAA federal funds | (71,531) |
| Total agency billings | 3,295,283 |

Note that some components of recoverable costs may need to be updated as the result of actions taken at figure setting.

**Schedule 6
STATEWIDE SUPPLEMENTAL REQUEST for FY 2004-05**

Department: Personnel and Administration
 Priority Number: Statewide Supplemental #7
 Division: Executive Office, Division of Central Services
 Program: State Fleet Management

Dept. Approval: *[Signature]*
 OSPB Approval: *[Signature]*
 Statutory Citation:
 Budget Analyst: Cindy Baouchi

Date: January 3, 2005
 Date: 12/10/04

Request Title: FY 2004-05 Vehicle Lease Line Reconciliation

| Long Bill Line Item | Fund Source | 1 Prior-Year Actual FY 2003-04 | 2 Appropriation FY 2004-05 | 3 Supplemental Request FY 2004-05 | 4 Total Revised Request FY 2004-05 | 5 Base Request FY 2005-06 | 6 Decision/Base Reduction FY 2005-06 | 7 November 1 Request FY 2005-06 | 8 Budget Amendment FY 2005-06 | 9 Total Revised Request FY 2005-06 | 10 Change from Base in Out Year FY 2006-07 |
|--|-------------|--------------------------------------|----------------------------------|--|---|---------------------------------|---|--|--|---|---|
| Total of all line items | Total | \$14,006,038 | \$16,769,017 | (\$3,064,534) | \$13,704,483 | \$16,769,017 | \$547,552 | \$17,316,569 | \$0 | \$17,316,569 | \$0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 89,173 | 3,629 | 0 | 3,629 | 3,629 | 0 | 3,629 | 0 | 3,629 | 0 |
| | CF | 2,134,301 | 2,142,180 | 0 | 2,142,180 | 2,566,851 | 0 | 2,566,851 | 0 | 2,566,851 | 0 |
| | CFE | 11,782,564 | 14,623,208 | (3,064,534) | 11,558,674 | 14,198,537 | 547,552 | 14,746,089 | 0 | 14,746,089 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Office, Vehicle Lease Payments | Total | \$117,148 | \$145,096 | (\$1,081) | \$144,015 | \$145,096 | \$65,797 | \$210,893 | \$0 | \$210,893 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | 89,173 | 3,629 | | 3,629 | 3,629 | | 3,629 | | 3,629 | |
| | CF | | | | | | | | | | |
| | CFE | 27,975 | 141,467 | (1,081) | 140,386 | 141,467 | 65,797 | 207,264 | | 207,264 | |
| | FF | | | | | | | | | | |
| Division of Central Services, Fleet Mgmt Pgm & Motor Pool Svcs, Vehicle Replacement Lease, Purchase or Lease/Purchase | Total | \$13,888,890 | \$16,623,921 | (\$3,063,453) | \$13,560,468 | \$16,623,921 | \$481,755 | \$17,105,676 | \$0 | \$17,105,676 | \$0 |
| | FTE | | | | | | | | | | |
| | GF | | | | | | | | | | |
| | CF | 2,134,301 | 2,142,180 | | 2,142,180 | 2,566,851 | | 2,566,851 | | 2,566,851 | |
| | CFE | 11,754,589 | 14,481,741 | (3,063,453) | 11,418,288 | 14,057,070 | 481,755 | 14,538,825 | | 14,538,825 | |
| | FF | | | | | | | | | | |

Letter Notations:

Cash Fund Name/Number: Fund 607

IT Request: No

Supplemental and Budget Amendment Criteria: Technical

Request for New or Replacement Vehicles: No

Request Affects Another Department(s): Yes - Statewide Supplemental Request impacting multiple departments.

**Efficiency and Effectiveness Analysis
FY 2004-05 Statewide Negative Supplemental Request**

Department: Department of Personnel & Administration
Long Bill Group/Division: Executive Office, Division of Central Services
Program: State Fleet Management
Priority Number: Statewide Supplemental #7
Request Title: Vehicle Lease Line Reconciliation

Summary of Request

This is a statewide technical negative supplemental to reduce statewide appropriations in various departments' Vehicle Lease Payment line items by a total of \$2,744,461. The corresponding reduction to State Fleet Management's spending authority is \$3,063,453. Included in this amount is the DPA department share of this statewide request, a decrease of \$1,081, all Cash Funds Exempt, in the Executive Office, Vehicle Lease Payments line item.

It is the intent of this request to reconcile the spending authority in DPA's Central Services, Fleet Management Program and Motor Pool Services (referred to herein as State Fleet Management) with departmental appropriations for Vehicle Lease Payments to reflect departments' needs in the associated line items.

Problem or Opportunity Definition:

Adjustment of Vehicle Lease Payments to Cover Existing Costs:

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 (SFM) and State agencies inherently created variances between actual agency appropriations and SFM spending authority as vehicles changed and exact vehicle amounts became known. For the last four fiscal years, SFM has used this base dollar approach to help 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. This reconciliation is conducted on an annual basis to determine whether appropriated funds will need to be adjusted in the Vehicle Lease Payments line items of affected agencies.

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 \$3,063,453 and agencies statewide have excess appropriations of \$2,744,461. This will result in a technical adjustment to the Vehicle Lease Payment line items for SFM user agencies as well as an adjustment to SFM program spending authority.

Recommendation:

The Department of Personnel & Administration recommends, that the Vehicle Lease Payments line item appropriations for State agencies be reduced by a total of \$2,744,461 (see attached agency detail), and SFM cash funds exempt spending authority be reduced by \$3,063,453.

FY2004-05 SUPPLEMENTAL VEHICLE LEASE LINE RECONCILIATION (Baseline July 2004)

| Agency | FISCAL YEAR 2004-05 | | FISCAL YEAR 2003-04 | | Difference |
|----------------------------------|---------------------|--------------|---------------------|---------------|----------------|
| | Actual | Approved | Actual | Approved | |
| CRPS | 25,034.00 | 8,532.00 | 2,308.00 | 11,140.00 | (2,394.00) |
| CPSA | 8,420,069.00 | 3,272,424.00 | 653,987.00 | (74,411.00) | 3,851,080.00 |
| CPSB | 208,563.00 | 251,616.00 | 2,750.00 | 204,576.00 | (1,869,486.00) |
| CPSD | 5,628,063.00 | 3,463,072.00 | 653,375.00 | (71,652.00) | 4,085,796.00 |
| CPS Total | 14,256,696.00 | 7,187,112.00 | 1,309,413.00 | 1,460,164.00 | (1,991,867.00) |
| DOAG | 187,916.00 | 15,224.00 | 15,290.00 | (6,237.00) | 160,246.00 |
| Agriculture | 1,840.00 | 1,174.00 | 1,174.00 | (1,330.00) | 11,784.00 |
| Department of Corrections | 1,870,032.00 | 37,120.00 | 998,724.00 | 1,843,226.00 | (165,372.00) |
| Department of Health | 337,597.00 | 17,481.00 | 8,650.00 | (71,742.00) | 182,345.00 |
| Department of Human Services | 908,981.00 | 8,650.00 | 8,650.00 | (8,675.00) | 87,025.00 |
| Local Affairs | 117,802.00 | 81,180.00 | 14,750.00 | (3,700.00) | 89,783.00 |
| Labor and Employment | 132,208.00 | 78,768.00 | 32,552.00 | (777.00) | 31,995.00 |
| Military Affairs | 218,608.00 | 2,231,094.00 | 298,638.00 | (137,818.00) | 2,381,874.00 |
| Natural Resources | 2,909,475.00 | 236,532.00 | 19,863.00 | (11,976.00) | 244,818.00 |
| EDD | 193,868.00 | 10,769.00 | 10,769.00 | (8,982.00) | 84,115.00 |
| Leisure | 88,838.00 | 129,652.00 | 36,551.00 | (493.00) | 10,991.00 |
| Regulatory Agencies | 3,792.00 | 11,454.00 | 108.00 | 2,337.00 | 1,968.00 |
| Economic Development | 146,098.00 | 21,513.00 | 1,948.00 | (3,061.00) | 33,659.00 |
| Department of Personnel (ex-MPI) | 348.00 | 348.00 | - | (1,488.00) | 2,544.00 |
| CDOT | 46,096.00 | 38,720.00 | - | - | 68,152.00 |
| Attorney General | 1,100.00 | 2,544.00 | - | - | 71,040.00 |
| Secretary of State | 66,705.00 | 71,040.00 | - | - | 1,444.00 |
| Public Defender | 19,417.00 | - | - | - | (4,643.00) |
| Clerks | 15,878.00 | 15,840.00 | - | - | 68.00 |
| DOH | 15,878.00 | 15,840.00 | - | - | 38.00 |
| Department of Education | 15,878.00 | 15,840.00 | - | - | 38.00 |
| DOT | 9,873,944.00 | 1,069,692.00 | 443,122.00 | 10,650,134.00 | (2,744,461.00) |
| Accretion | - | - | - | - | - |
| CDOT Staff | - | - | - | - | - |
| City | - | - | - | - | - |
| County | - | - | - | - | - |
| Dairies | - | - | - | - | - |
| Geotechnical | - | - | - | - | - |
| Geological Springs | - | - | - | - | - |
| Highway Construction | - | - | - | - | - |
| Gravelly | - | - | - | - | - |
| Pueblo | - | - | - | - | - |
| Tunnel Maintenance | - | - | - | - | - |
| DOH | 40,619.00 | 6,545.00 | 6,545.00 | (1,061.00) | 46,143.00 |
| Adams State | 4,696.00 | - | - | 127.00 | 4,998.00 |
| Arapahoe CC | 57,617.00 | - | - | (2,975.00) | 57,744.00 |
| Aurora Campus | 4,600.00 | - | - | - | 1,930.00 |
| CCDCS | - | - | - | - | - |
| CO HW CC | 27,429.00 | 6,068.00 | 417.00 | 33,914.00 | 785.00 |
| CCD | 785.00 | - | - | - | 785.00 |
| COUR | 1,174.00 | - | - | - | 1,174.00 |
| COUR | 564,136.00 | 104,178.00 | 114,395.00 | 644,644.00 | 222,448.00 |
| CU Boulder | 207,136.00 | 2,547.00 | (895.00) | 44,788.00 | 7,372.00 |
| CU Denver | 2,372.00 | 6,022.00 | 19,065.00 | 42,917.00 | 3,525.00 |
| CU Health Sciences Center | 24,034.00 | 2,811.00 | - | 3,547.00 | 3,547.00 |
| Front Range CC | 1,044.00 | - | - | 20,126.00 | 20,126.00 |
| Front Range Community | 3,547.00 | 4,927.00 | 5,568.00 | 4,926.00 | 19,861.00 |
| Front Range Community | 14,270.00 | - | - | - | 19,869.00 |
| Monte Vista | 4,028.00 | - | - | - | 12,532.00 |
| Monte Vista | 11,574.00 | 1,638.00 | 9,646.00 | (3,396.00) | 12,532.00 |
| Morgan CC | 18,800.00 | 9,646.00 | 2,512.00 | (2,704.00) | 5,668.00 |
| Northwest CC | 13,140.00 | 1,671.00 | 1,671.00 | 5,837.00 | 5,837.00 |
| Pikes Peak CC | 8,898.00 | 1,238.00 | 1,238.00 | 37,488.00 | 1,274.00 |
| Pueblo CC | 3,898.00 | 4,450.00 | 4,450.00 | 45.00 | 30,867.00 |
| Pueblo CC | 3,898.00 | 9,319.00 | 9,319.00 | (7,297.00) | 90,185.00 |
| School of Mines | 50,710.00 | 1,274.00 | 1,274.00 | (7,886.00) | 90,185.00 |
| Shawnee | 26,472.00 | 4,450.00 | 4,450.00 | 45.00 | 30,867.00 |
| Trinidad JC | 94,171.00 | 6,319.00 | 6,319.00 | (7,886.00) | 90,185.00 |
| UNO Pueblo | 27,701.00 | 12,108.00 | 12,108.00 | 38,415.00 | 38,415.00 |
| Western State | 1,873,934.00 | 27,124.00 | 27,124.00 | (84,793.00) | 1,873,934.00 |
| TOTAL | 11,169,336.00 | 1,332,690.00 | 1,332,690.00 | 14,277,324.00 | (4,415,271.00) |

FY2004-05 SUPPLEMENTAL Vehicle Lease Line Reconciliation (Baseline July 2004)

FISCAL YEAR 2004-05

| A | B | C | D | E | F | G | H |
|------|----------|--|---|--|---------------------------------|--|---|
| DAFV | Division | FY05 Agency Agency ID# Appropriation | FY05 Agency Current Fund Baseline July 2004 | FY05 Reported Balance + ADD3 Fixed Payroll | Lease End Payroll By 8/30/05 | Projected Agency FY05 Fixed Payroll (Including Mgmt Fee) | Variance FY05 Billing from FY05 Long Term |

| | FY05 PLANNED |
|-------------------------------|---------------|
| Expected Agency Payments | 54,377,324.00 |
| Motor Fee FY05 Leases | 1,145,000.00 |
| Expected SFM Payments (COP) | 13,171,324.00 |
| Unforeseens (1.5% of billing) | 820,800.00 |
| DPA Motor Pool Leases | 700,000.00 |
| TOTAL EST EXPENDITURES | 70,014,448.00 |
| SFM's FY05 Spending Auth | 55,823,527.00 |
| SFM's Excess Spending Auth | 14,190,921.00 |

ANALYSIS OF ADDS AND OUT OF CYCLE REPLACEMENTS ON "OTHER" WORKSHEET
ALL VEHICLE PURCHASES ASSUME 6% INTEREST RATE

| DPA Motor Pool | |
|---------------------|------------|
| July 04 Billing X12 | 141,364.00 |
| FY05 Lease Ending | 5,548.00 |
| FY05 Repl (12 mos) | 32,454.00 |
| TOTAL FY05 | 185,464.00 |

Assumptions:

Analysis done based on current fleet status - no consideration made for DCHE Opt-Out per HB 04-1022
 Higher Education is not appropriated a specific line for Vehicle Lease Payments
 Column "B" Prorations from files "FY05 Replacement JBC Approved (2004-04-07)755-FC Dist.xls"
 Column "E" ADD3 Analysis from file "Add3 Analysis for FY05.xls" SEE "Other" Worksheet
 Column "F" Leases ending during FY05 are determined by 8 of months not needed. From file "FY2005_Ending_Lease_Final_20040519.xls"
 Unforeseens include Mission Critical Accident Replacements, Mission Critical Uneconomic Repair Replacements, etc.
 DOL and SFM Agree that 917A83 was overlooked in replacement analysis. FIGURES DO NOT INCLUDE: \$22,500 price with same terms = \$377/month X 4 = \$1508 prorated
 Education is not appropriated dollars for Vehicle Lease Payments
 Dollars for Additional Vehicles Not Approved or Known to SFM are Not Included
 Motorpool lease payments are not allocated in the long bill under Dept of Personnel
 Variance for DOC includes \$31,800 that was allocated in the long bill for non-SFM vehicle lease
 CDPB note: CDPB proration assumes staggered delivery of replacements (1/2 delivered in November and 1/2 delivered in March) Use 6 month payments

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