



Department of Personnel and Administration
Line Item Descriptions

FY 2009-10 Budget Request

NOVEMBER 1, 2008

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(1) EXECUTIVE DIRECTOR'S OFFICE

PERSONAL SERVICES

This line has existed since the inception of the Executive Director's Office, and was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration.

This line item and the associated appropriations of Full Time Equivalent (FTE) and personal services funding support the Executive Office staff and management functions, including management direction, policy formulation and core internal functions in the areas of financial services, human resources, and communications and legislative relations. The appropriation supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops. This appropriation has historically been supported by statewide indirect cost recoveries annually per Long Bill annotation.

The appropriation for FY 2007-06 was \$1,601,479 and 21.5 FTE, and has increased only as a result of JBC approved base building salary increases, and has been annually been reduced as a result of OSPB and/or JBC base reductions. The appropriation for FY 2007-08 was \$1,648,595. For FY 2007-08, the salary survey allocation was \$56,535, and the performance-base pay allocation was \$19,302. The JBC action for a 1% reduction was \$17,244. The resulting FY 2008-09 appropriation for this line was \$1,707,188. The salary survey allocation for FY 2008-09 is \$87,288, and the performance-based pay allocation is \$25,407. For FY 2009-10, a budget-neutral fund mix adjustment is requested. The total request for this line for FY 2009-10 is \$1,819,883.

HEALTH, LIFE, AND DENTAL

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item appropriation addresses the State's employer contribution for the health, life and dental insurance benefits for the Department's classified employees. The calculated annual appropriation is based upon recommendations contained in the annual Total Compensation Report, and associated guidance from OSPB, and is calculated based upon employee benefits enrollment selections.

The appropriation for FY 2006-07 was \$1,736,246, and was increased per common policy in FY 2007-08 to \$2,317,727. For FY 2008-09, the annualization of the prior year's health, life, dental appropriation to the base was \$210,840. A non-prioritized budget

amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was approved in the amount of \$129,706. JBC staff recommended and the committee approved a different fund split, however (JBC figure setting document for DPA, March 5, 2008, pg. 24). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$810,383. The resulting FY 2008-09 appropriation for this line was \$1,847,890. For FY 2009-10, the requested incremental change over FY 2008-09 is \$276,171. The total request for this line for FY 2009-10 is \$2,124,061. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

SHORT-TERM DISABILITY

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item appropriation is for the purpose of providing partial payment of an employee's salary in the event that individual becomes disabled and cannot perform his or her work duties. This benefit is calculated on an annual basis in accordance with OSPB Common Policy Instructions.

The appropriation for FY 2206-07 was \$33, 579, and was increased per common policy in FY 2007-08 to \$39,612. For FY 2008-09, the annualization of the prior year's short-term disability appropriation to the base was \$3,236. A non-prioritized budget amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was submitted in the amount of (\$372). JBC staff recommended and the committee approved an amount of \$878 (JBC figure setting document for DPA, March 5, 2008, pg. 24). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$15,022. The resulting FY 2008-09 appropriation for this line was \$28,704. For FY 2009-10, the requested incremental change over FY 2008-09 is \$656. The total request for this line for FY 2009-10 is \$29,360. This appropriation has historically been supported by the General Fund, fees from user agencies, indirect cost recoveries, and statewide indirect cost recoveries from the Department of Labor and Employment and the Department of Transportation, per Long Bill annotation.

SB 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line was first created in SB 04-257, in which Amortization Equalization Disbursement was formed. The Amortization Equalization Disbursement (AED) increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The request for this line is computed in accordance with OSPB Common Policy Instructions and is calculated using the sum of base salaries, salary survey and range adjustments for employees eligible for State retirement benefits. The AED rate will increase to 3.00% over the next five years.

For FY 2006-07, the Amortization Equalization Disbursement increased to 0.75%, and the DPA appropriation that year was \$220,352. The Amortization Equalization Disbursement is calculated using the same methodology as the PERA contribution calculation. The appropriation for FY 2007-08 was increased to \$364,552 per common policy. For FY 2008-09, the annualization of the prior year's short AED appropriation to the base was \$167,346. A non-prioritized budget amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was submitted in the amount of (\$9,109). JBC staff recommended and the committee approved an amount of \$5,335 (JBC figure setting document for DPA, March 5, 2008, pg. 25). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$184,890. The resulting FY 2008-09 appropriation for this line was \$352,343. For FY 2009-10, the requested incremental change over FY 2008-09 is \$99,347. The total request for this line for FY 2009-10 is \$451,690. This appropriation has historically been supported by the General Fund, fees from user agencies, indirect cost recoveries, and statewide indirect cost recoveries from the Department of Labor and Employment and the Department of Transportation, per Long Bill annotation.

SB 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

This line was first created in SB06-235, in which the Supplemental Amortization Equalization Disbursement was formed. The rate for 2008 is 0.5% per OSPB Common Policy Instructions, which increases by .5% each calendar year through 2013. The legislation specifically indicated that the incremental increase shall be reduced from funding that would otherwise be allocated to Salary Survey. The appropriation for FY 2007-08 was \$74,808. For FY 2008-09, the annualization of the prior year's SAED appropriation to the base was \$96,111. A non-prioritized budget amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was submitted in the amount of (\$3,410). JBC staff recommended and the committee approved an amount of \$80,175 (JBC figure setting document for DPA, March 5, 2008, pg. 25). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$86,667. The resulting FY 2008-09 appropriation for this line was \$164,427. For FY 2009-10, the requested incremental change over FY 2008-09 is \$117,880. The total request for this line for FY 2009-10 is \$282,307. This appropriation has historically been supported by the General Fund, fees from user agencies, indirect cost recoveries, and statewide indirect cost recoveries from the Department of Labor and Employment and the Department of Transportation, per Long Bill annotation.

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

This line was first placed in the Department of Personnel and Administration in HB 95-1362, and included Salary Survey, Anniversary Increases, and Shift Differential. The line was split from Shift Differential and included only Salary Survey and Senior

Executive Service as of the FY 2000-01 long bill. The Salary Survey and Senior Executive Service appropriation reflects the amounts necessary for the Department to cover the cost of salary increases based on the Total Compensation Survey performed annually by the Department. The annual request for this line item is calculated based upon the annual Total Compensation recommendations from the State Personnel Director, along with guidance provided via the OSPB Common Policy Instructions.

The appropriation for FY 2006-07 was for \$848,161, and was increased per common policy to an appropriation of FY 2007-08 in \$1,013,184. For FY 2008-09, the annualization of the prior year's SS/SES appropriation to the base was \$178,128. A non-prioritized budget amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was submitted in the amount of (\$70,845). JBC staff recommended and the committee approved an amount of \$248,973 (JBC figure setting document for DPA, March 5, 2008, pp. 25-26). JBC also approved a reduction of staff-calculated 0.5% SAED calculation [resulting in a difference of (\$670)]. Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$429,602. The resulting FY 2008-09 appropriation for this line was \$831,885. For FY 2009-10, the requested incremental change over FY 2008-09 is (\$284,870). The total request for this line for FY 2009-10 is \$547,015. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

PERFORMANCE-BASED PAY AWARDS

This line item replaced the Anniversary Increases budget line item in the FY 2002-03 long bill. In FY 2003-04, no funding was appropriated due to statewide budget constraints. However, performance-based pay was implemented for FY 2004-05 and the Department allocation for that fiscal year was \$354,769 total funds. In FY 2005-06, the Joint Budget Committee adopted a Common Policy of no performance-based pay awards for that fiscal year. For FY 2006-07, again no appropriation was made for Performance-based pay awards per JBC action. For FY 2007-08, the Department of Personnel and Administration introduced a new methodology for awarding salary increases called Achievement Pay. This new methodology had two components: base and non-base building. Base Achievement Pay consisted of market salary increases by occupational group, adjusted for the Supplemental Amortization Equalization Disbursement (SAED), and a single uniform statewide increase of 1.00 percent to recognize performance. Permanent state personnel system employees received base-building salary increases, except those rated at "Needs improvement." Achievement Pay also included a non-base building payment of 2.0 percent to those rated at Level 4 "Outstanding." Performance-based pay represents the annual amount appropriated for periodic salary increases for State employees based on demonstrated and documented ability of each employee to satisfy standards related to quantity and quality of work.

The appropriation for FY 2007-08 was \$452,094. For FY 2008-09, the annualization of the prior year's performance-based pay appropriation to the base was an additional \$54,603. A non-prioritized budget amendment (NP #6 – December Update for Total

Compensation, January 23, 2008) was requested and approved by the JBC in the amount of (\$4,379). The committee approved a different fund split than that which was requested (JBC figure setting document for DPA, March 5, 2008, pg. 26). Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$176,908. The resulting FY 2008-09 appropriation for this line was \$325,410. No incremental increase is requested for FY 2009-10. The total request for this line for FY 2009-10 is \$0. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

SHIFT DIFFERENTIAL

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration, and consisted of Salary Survey, Anniversary Increases, and Shift Differential. The line was separated as of the FY 2000-01 long bill. This Common Policy based line item addresses the adjustment necessary to compensate employees for work performed outside of normal work schedules (i.e. second and third shift workers whose scheduled work hours fall outside of the regular Monday through Friday, 8:00 am to 5:00 pm work schedule). Essentially, Shift Differential payments provide higher wages for evening, night, and weekend shifts. The request for this line item is calculated annually per OSPB Common Policy Instructions at 80% of the level of prior year actual expenditures for this function, which has historically been approved by JBC action at the same level.

The appropriation for FY 2006-07 was for \$68,319, and was increased per common policy to an appropriation for FY 2007-08 of \$83,246. Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$44,120. The resulting FY 2008-09 appropriation for this line was \$39,126. A reduction of \$4,360 is requested for FY 2009-10, and the total request for this line is \$34,766. This appropriation has historically been supported by the General Fund.

WORKERS' COMPENSATION

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item is an operating Common Policy allocation that provides funding to State agencies for payments made to the Department of Personnel and Administration to support the State's self-insured Workers' Compensation program. In addition, this specific line item in the DPA budget represents the allocation for DPA as an agency, not the appropriations required to support the administration of the state Workers' Compensation program, which are part of the Division of Human Resources program appropriations.

The appropriation for FY2006-07 was for \$255,779, and was decreased to \$285,476 per SB 07-173 – DPA Supplemental Bill. The FY 2007-08 appropriation was \$391,999, and was reduced per common policy supplemental true-up process to \$229,279. A statewide budget amendment (SWBA #4 – Risk Management Services Funding Adjustments, December 21, 2007) was submitted, which would adjust the FY 2008-09 appropriation to \$293,187. JBC staff recommended and the committee approved a lesser amount of \$292,418 (JBC figure setting document for DPA, March 5, 2008, pg. 27). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$86,956. The resulting FY 2008-09 appropriation for this line was \$205,462. For FY 2009-10, a statewide common policy decision item was requested in the amount of \$444 (NP Statewide Common Policy – Ombuds Program, November 1, 2008). The total request for this line for FY 2009-10 is \$205,906. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

OPERATING EXPENSES

This line has existed since the inception of the Executive Director’s Office, and was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item supports the annual operating expenses of the Executive Office, its staff, and required functions. Allowable operating expenditures are defined in the Long Bill headnotes, and actual expenditures are identified by object code in the Schedule 3. The appropriation for FY 2004-05 was \$103,311, which was reduced by just under \$3,500 for FY 2005-06 forward based upon the annualization of a prior year decision item that added an additional FTE to the Executive Office.

The appropriation for FY 2006-07 and for FY 2007-08 was \$99,842. The resulting FY 2008-09 appropriation for this line was continuation funding in the same amount (JBC figure setting document for DPA, March 5, 2008, pg. 27). A statewide common policy decision item was requested in the amount of \$7,770 (NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008). The total request for this line for FY 2009-10 is \$107,612. This appropriation has historically been supported by indirect cost recoveries per Long Bill annotation.

LEGAL SERVICES FOR 4,026 HOURS

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item appears in most departments’ executive director's office, with some exceptions. Funding is appropriated so each department can purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals.

The appropriation for FY 2007-08 was \$247,207. For FY 2008-09, the JBC approved continuation funding plus an increase of \$55,146 due to additional hours incurred as a result of SB 07-210 to support the Independent Ethics Commission established by the bill (JBC figure setting document for DPA, March 5, 2008, pg. 28). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$6,083. The resulting FY 2008-09 appropriation for this line was \$296,270. The total request for this line for FY 2009-10 is also \$296,270. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

ADMINISTRATIVE LAW JUDGE SERVICES

This line item is a Common Policy based appropriation which provides allocations of funding to State agencies for the purchase of administrative law judge and paralegal services. The Department uses a cost allocation billing methodology for Administrative Law Judge Services and calculates the Departmental allocations for State agency customers based upon their share of total recoverable program costs for providing Administrative Law Judge adjudication to State agencies. The number of judge and paralegal hours used by each agency in the most recently completed fiscal year is used to determine each agency's share of the recoverable program costs. Recoverable costs include all Long Bill appropriations to the Office of Administrative Courts for program operating expenses, personal services, and indirect cost assessment, along with the program's share of central departmental appropriations, POTS, and other overhead associated with the provision of administrative law judge services to State agencies.

The appropriation for FY 2007-08 was \$2,511. The Department requested an appropriation \$2,457 for FY 2008-09. JBC staff recommended and the committee approved an amount of \$2,633 (JBC figure setting document for DPA, March 5, 2008, pg. 28). For FY 2009-10, a statewide common policy decision item is requested in the amount of \$247 (NP Statewide Common Policy – Ombuds Program, November 1, 2008). The total request for this line for FY 2009-10 is \$2,880. This appropriation has historically been supported by fees from user agencies per Long Bill annotation.

PURCHASE OF SERVICES FROM COMPUTER CENTER (GGCC)

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This operating Common Policy based line item represents each agency's total billings for the purchase of services from the computer center. The request is calculated annually for the purpose of allocating out to State agencies their share of utilization of the State's Data Center, and is housed in the Governor's Office of Information Technology. The GGCC Common

Policy supports the planning, management, operation and delivery of the computing infrastructure to customer entities, which include all State agencies and certain institutions of higher education. The computing infrastructure includes database, application and web servers for several departments, as well as the State's general mainframe computer and tape, disk and printing resources for mainframe and server environments.

The appropriation for FY 2007-08 was \$3,857,882, and was decreased per common policy in FY 2007-08 to \$3,035,345. The Department requested a common policies adjustment to the base for FY 2008-09 in the amount of \$1,094,109. JBC staff recommended and the committee approved an amount of \$1,289,398 (JBC figure setting document for DPA, March 5, 2008, pg. 28). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$2,030,390. The resulting FY 2008-09 appropriation for this line was \$2,294,353. The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

MULTIUSE NETWORK PAYMENTS

This Line Item Originates From the Following Source(s):

This Common Policy appropriation provides the basis for annual Multi-use Network (MNT) allocations/appropriations statewide and represents each agency's total billings for the MNT. Appropriations for MNT Payments represent the cost/billings to State agencies for circuits and their share of recoverable costs associated with DPA's provision of and administration of MNT to its customers. Recoverable costs include funding for contracts with Qwest and its partners (including ANAP fess, LATA crossing fees, costs associated with existing MNT circuits, network monitoring, Internet access costs, etc), infrastructure (backbone) costs, anticipated billings based on department-by-department circuit inventory, and estimated administrative/operational costs and overhead.

The appropriation for FY 2007-08 was \$101,764. The following change requests were submitted for FY 2008-09: Statewide Decision Item #2 – MNT Truth-in-Rates, November 1, 2007, in the amount of \$46,201 Statewide Supplemental #3 for \$60,514/Statewide Budget Amendment #3 for \$58,485 – MNT Truth-in-Rates Statewide Realignment, January 2, 2008. JBC staff recommended and the committee approved an increase of \$3,844 (JBC figure setting document for DPA, March 5, 2008, pg. 28). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$38,061. The resulting FY 2008-09 appropriation for this line was \$67,547. The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by fees from user agencies per Long Bill annotation.

PAYMENTS TO RISK MANAGEMENT AND PROPERTY FUNDS

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item is an operating Common Policy allocation that represents each department's share of the statewide cost of property and liability insurance coverage. In addition, this specific line item in the DPA budget represents the allocation for DPA as an agency, not the appropriations required to support the administration of the state Liability and Property programs, which are part of the Division of Human Resources program appropriations.

The appropriation for FY 2006-07 was \$1,068,603, and was decreased per common policy in FY 2007-08 to \$560,892. Statewide Budget Amendment #4 – Risk Management Services Funding Adjustments, in the amount of \$37,075, was submitted December 21, 2008. JBC staff recommended and the committee approved an increase of \$366,829 (JBC figure setting document for DPA, March 5, 2008, pg. 29). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$275,876. The resulting FY 2008-09 appropriation for this line was \$651,845. The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

VEHICLE LEASE PAYMENTS

line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This Common Policy based line item represents the amounts necessary for State agencies to make vehicle lease payments to the State Fleet Management Program that are sufficient to recover the annual costs of program administration and lease purchase installment payments.

The appropriation for FY 2006-07 was \$133,507, and was increased per common policy in FY 2007-08 to \$116,706. Statewide Budget Amendment #1 – Fleet Replacements Statewide Budget Amendment was submitted January 23, 2008, in the amount of \$2,573, in addition to the base request of \$160,341. JBC staff recommended and the committee approved an increase of \$30,886 (JBC figure setting document for DPA, March 5, 2008, pg. 29). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$104,277. The resulting FY 2008-09 appropriation for this line was \$43,315. Non-prioritized decision item - Statewide Common Policy #1 – vehicle lease payments was submitted November 1, 2008 in the amount of \$8,700. The total request for this line for FY 2009-10 is \$52,015. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

LEASED SPACE

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The line item is necessary to pay for the Department's obligations for leases of private office space and other facilities that are not State-owned.

The appropriation for FY 2007-08 was \$1,453,054. This is an increase from the FY 2006-07 appropriation of \$1,189,814, which includes JBC approved operating and escalating increases, as well as an additional \$203,750 of total funds that was redistributed from the Mail Services Operating Expenses line item per FY 2007-08 Decision Item #2 – IDF Realignment, to address the additional need generated by a new lease agreement for the Document Solutions Group in Pueblo, Colorado. For FY 2008-09, the JBC approved an annualization of \$100,750 from the prior fiscal year's Decision Item #2 – Additional Space for Print/Mail in Pueblo. The committee also approved a 5% inflationary factor of \$62,422, rather than the 6.2% requested by the Department (JBC figure setting document for DPA, March 5, 2008, pp. 29-31). JBC staff also presented and the committee approved a comeback to refinance 60% of the General Fund in the line with Reappropriated Funds (March 17, 2008 JBC Memo). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$302,920. The resulting FY 2008-09 appropriation for this line was \$1,313,306. The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund, and fees from user agencies, as well as the Supplier Database Cash Fund created in Section 24-102-202.5(2)(a), C.R.S., per Long Bill annotation.

CAPITOL COMPLEX LEASED SPACE

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This Common Policy based line item represents allocations and subsequent billings to departments occupying space in the Capitol Complex (including North Campus and 1881 Pierce Street), the Grand Junction State Services Building and Camp George West. The annual allocation to agencies is calculated by the Department based upon total recoverable program costs and overhead associated with the maintenance and property management functions provided by the Division of Central Services, Facilities Maintenance on behalf of State agency tenants in the Capitol Complex, Grand Junction and Camp George West.

The appropriation for FY 2006-07 was \$1,153,035, and was increased per common policy in FY 2007-08 to \$1,195,160. For FY 2008-09, a decrease of \$7,163 was requested through Statewide Budget Amendment #2 – Capitol Complex Leased Space. The JBC approved a decrease of \$5,585 (JBC figure setting document for DPA, March 5, 2008, pp. 31-32). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$380,477. The resulting FY 2008-09 appropriation for this line was \$809,098. The

total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

COMMUNICATIONS SERVICES PAYMENTS

This Line Item Originates From the Following Source(s):

This Common Policy based line item represents each participating department's share of the overhead related to the State's public safety communications infrastructure. The cost allocation methodology, based on actual utilization, is similar to that used in the annual Common Policies and statewide supplemental true-up requests for the Purchase of Services from the Computer Center (GGCC) and for Administrative Law Judge Services (ALJ), and ensures that billings for the fiscal year are sufficient to fund personal services, operating expenses, indirect costs, and other overhead associated with the provision of the statewide Public Safety Network for the benefit of State agency and local government entities.

The appropriation for FY 2006-07 was \$1,151, and was decreased per common policy in FY 2007-08 to \$849. For FY 2008-09, an increase of \$50 was requested through Statewide Supplemental #4 – Communications Services Statewide Supplemental True-up, January 2, 2008. The JBC approved an increase of \$28 (JBC figure setting document for DPA, March 5, 2008, pg. 32). The resulting FY 2008-09 appropriation for this line was \$877. The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund.

TEST FACILITY LEASE

In 1970, the State agreed to lease 33,492 acres of land free of charge for 150 years to the U.S. Transportation Department, Federal Railroad Commission (FRC), for a high speed train test site in order to boost economic development in that region. The appropriation to this line item supports a lease payment to the State Land Board for a Federal Railroad Commission testing facility in Pueblo, Colorado. The land is leased from the State Land Board to the Department of Personnel and Administration and is sub-leased to the Federal Railroad Commission free of charge. The site presently employs approximately 450 people, and the original 50-year lease agreement will expire on August 1, 2020.

In recent fiscal years (through FY 2004-05) the lease cost and subsequent appropriation to DPA was for \$116,351, however, beginning with FY 2005-06 the appropriation was increased based upon a JBC approved inflationary increase to \$119,842. The appropriation

for FY 2007-08 was at the same level. For FY 2008-09, continuation funding was requested and approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pg. 32). The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund.

EMPLOYMENT SECURITY CONTRACT PAYMENT

This line item was created in order for the State to enter into employment security contracts. This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports a contract with a private company (Gibbens Company) that is responsible for reviewing and challenging unemployment insurance claims filed against the State, excluding institutions of higher education. In FY 1998-99, the Department renegotiated the contract to a lower rate (from \$19,400 to \$17,400).

The Department has requested a continuation appropriation for the past several years and the appropriation for FY 2006-07 and FY 2007-08 was \$17,400. For FY 2008-09, continuation funding was requested and approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pp. 32-33). The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund and fees from user agencies per Long Bill annotation.

EMPLOYEES EMERITUS RETIREMENT

This appropriation supports payments to retired state workers under a program that expired. There are 6 former state employees who are eligible to receive this payment in FY 2007-08. As summarized below, the program was created in 1967, amended in 1975, amended in 1980, and repealed in 1987.

- Senate Bill 67-120. This bill created the program which allowed for monthly retirement benefits to be paid to former state employees who had retired from state service for superannuation on a full annuity or disability by July 1, 1967. The original act required eligible employees to apply for benefits by July 1, 1968. The act allowed for recipients to receive \$125 per month, less any pension or retirement funds supported in part by the State. The original act also called for payments to be prorated on an equal monthly basis within the limits of the appropriations made.
- House Bill 75-1254. This bill changed the required retirement date from July 1, 1967 to July 1, 1975. It changed the enrollment date from July 1, 1968 to July 1, 1976. The bill increased the maximum monthly payment from \$125 to \$200. It authorized the maximum monthly payment to increase by 3.0 percent each year. The provision for payments to be prorated on an equal monthly basis within the limits of the appropriations made was not changed by the bill.

- Senate Bill 80-48. This bill increased the maximum monthly payment in FY 1980-81 by 8.0 percent or the average salary survey, whichever was higher. For subsequent fiscal years, the bill added a provision allowing the maximum monthly payment to be increased by an amount equal to the average salary survey. The provision for payments to be prorated on an equal monthly basis within the limits of the appropriations made was not changed by the bill.
- Senate Bill 87-143. This bill, which was endorsed by the Public Employees Retirement Association (PERA), repealed the program. According to the legislative liaison for PERA, PERA did not believe that this bill would stop retirement benefits from being paid for employee emeritus retirements. PERA assumed that the statutory provisions would not be required to continue the program for existing participants because the program was not available to new participants.

The appropriation for FY 2006-07 and FY 2007-08 was \$11,370. For FY 2008-09, continuation funding was requested and approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pp. 33-34). The total request for this line for FY 2009-10 is continuation funding in the same amount. This appropriation has historically been supported by the General Fund.

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 - CURITY REMEDIATION

This line item was created in FY 2004-05 to address the needs of the Department of Personnel and Administration's compliance with the Health Insurance Portability and Accountability Act of 1996's (HIPAA) security rule and contains appropriations for both personal services and operating expenses. The Department of Personnel and Administration is considered a hybrid covered entity under HIPAA as it is responsible for the administration of employee health benefits and handles HIPAA related data for other agencies.

For FY 2005-06, the base Long Bill appropriation was for \$150,695 and 2.0 FTE. As part of the FY 2005-06 supplemental process, the Department submitted a supplemental request (DPA Supplemental #1) associated with additional recurring expenses related to ongoing maintenance and software licenses. The request was for \$31,337 of additional spending authority and was approved by the JBC. Together with the supplemental request, the Department submitted a budget amendment request for FY 2006-07 (DPA Budget Amendment #1) associated with the additional spending authority necessary to continue the recurring expenses and an additional appropriation of \$25,000 to perform a required bi-annual risk assessment. Again, the request was approved by the JBC and incorporated in the Long Bill as requested; the additional funds for FY 2006-07 totaled \$56,337, which brought the final FY 2006-07 appropriation to \$210,824. The appropriation for FY 2007-08 was \$189,257. For FY 2008-09, the Department requested base funding of \$147,490 for Personal Services, \$45,315 for Operating, and a decision item (Decision Item #2 – HIPAA Bi-Annual Risk Assessment for \$35,000, November 1, 2007). The JBC approved \$135,301 for Personal Services, \$57,337 for Operating, and \$35,000 for the decision item (JBC figure setting document for DPA, March 5, 2008, pp. 35-36). Senate Bill 08-155 – Centralize IT Management in OIT, did not reduce the appropriation, but did reduce the FTE by 1.0, from 2.0. The resulting appropriation for FY

2008-09 was \$227,638. For FY 2008-09, \$7,890 was allocated for salary survey, and \$2,241 for Performance-Based Pay. For FY 2009-10, a reduction of \$35,000 is requested for annualization of the HIPAA Bi-Annual Risk Assessment. The total request for this line for FY 2009-10 is \$202,769. This appropriation has historically been supported by the General Fund and the Computer Services Revolving Fund created in Section 24-30-1606(2), C.R.S., originating as user fees transferred from other state agencies, per Long Bill annotation.

(2) DIVISION OF HUMAN RESOURCES

(A) HUMAN RESOURCE SERVICES

(1) STATE AGENCY SERVICES

PERSONAL SERVICES

This Line Item Originates From the Following Source(s): This line has existed since the inception of State Agency Services.

Description: This line item and the associated appropriations of FTE and personal services funding support the State Agency Services in the Division of Human Resources staff and management functions, which include providing interpretation of applicable rules and regulations; handling appeals to the State Personnel Director from employees; providing policy guidance for State benefits, including the Performance Based Pay Plan and the annual Total Compensation Survey; creating and maintaining job evaluation systems; developing compensation and annual leave policies; and providing direct human resources services to the following non-decentralized state agencies: the Office of the Governor, the Department of Treasury, and certain institutions of higher education. Personal services supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops.

The appropriation for FY 2006-07 was \$1,924,013, and increased only as a result of JBC approved base building salary increases and a JBC base reduction in FY 2007-08 was \$1,964,350. The salary survey allocation for FY 2007-08 was \$57,627, and the Performance-Based Pay allocation for FY 2008-09 was \$18,213. The JBC adopted a 1.0% base reduction for Personal Services, in the amount of \$20,402 (JBC figure setting document for DPA, March 5, 2008, pg. 37). The resulting FY 2008-09 appropriation for this line was \$2,019,788. The FY 2008-09 salary survey allocation was \$83,592, and Performance-Based Pay was \$23,784. The total

request for this line for FY 2009-10 is \$2,127,164. This appropriation has historically been supported by indirect cost recoveries, and statewide indirect cost recoveries from the Department of Labor and Employment and the Department of Transportation, per Long Bill annotation.

OPERATING EXPENSES

This line has existed since the inception of State Agency Services, and supports the operating expenses for the DHR “Director’s Office”, which includes those expenses most generally associated with statewide human resources services. Allowable operating expenditures are defined in the Long Bill headnotes, and actual expenditures are identified by object code in the Schedule 3. This appropriation has been at a continuation level for the past several fiscal years.

The appropriation for FY 2006-07 and FY 2007-08 was \$88,462. The Department requested and the JBC approved continuation funding for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 38). For FY 2009-10, \$411 is requested for a decision item (Statewide Common Policy Decision Item – Mail and Postage Increase, November 1, 2008). The total request for this line for FY 2009-10 is \$88,873. This appropriation has historically been supported by indirect cost recoveries, and statewide indirect cost recoveries from the Department of Labor and Employment and the Department of Transportation, per Long Bill annotation.

(2) TRAINING SERVICES

Pursuant to Section 24-50-122, C.R.S., this program provides training courses that includes topics such as supervision, program management, leadership, diversity, contract management, procurement procedures, legislative testimony, violence prevention, and performance management to State employees. On July 11, 2005, the Colorado Department of Personnel and Administration began a partnership with the Colorado State University’s Division of Continuing Education to provide training programs for State employees. The program is funded by training revenues from State and non-State agencies per Long Bill annotation. This line item and the associated appropriations of FTE and personal services funding support Training Services in the Division of Human Resources staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State’s contribution to the Public Employees’ Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State’s share of federal Medicare tax paid for state employees; professional services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

As referenced above, funding for this line item supports personnel costs and contractual obligations associated with the delivery of training services to State agencies per statute. The Long Bill appropriation for this line item has fluctuated from as much as \$170,164 and 3.0 FTE in the FY 2004-05 Long Bill to \$61,811 and 1.0 FTE in FY 2007-08. The primary reason for the reduction in appropriated resources to the Program over time, as identified in JBC figure setting documents, is the recalibration of the Program resources to more closely align with workload based upon the current partnership with Colorado State University to deliver training services. The Training Personal Services line was combined with the Training Operating line for FY 2008-09, into a “Training Services” line. The appropriation for the Training Personal Services line in FY 2007-08 was \$61,811. The appropriation for the Training Operating line in FY 2007-08 was \$17,169. The consolidation of the two line items for FY 2008-09 resulted in an appropriation of \$78,980 (JBC staff memo March 13, 2008 re: Department of Personnel (3/5/08) and Common Policies (3/12/08) Figure Setting Staff Comebacks). For FY 2009-10, \$70,097 is requested for a decision item (DI #2 - Training Services Base Increase, November 1, 2008). The total request for this line for FY 2009-10 is \$149,077. This appropriation has historically been supported by the sale of job reference manuals to and training revenue from non-state agencies, and training revenue from state agencies, per Long Bill annotation.

INDIRECT COST ASSESSMENT

This is no longer a current line in the Long Bill; all Training Services lines – Personal Services, Operating, and Indirect Cost Assessment, have been consolidated. Authority for the Training program is found in Section 24-50-122, C.R.S. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The The FY 2006-07 indirect cost assessment for the Training program was \$31,309, and was increased in FY 2007-08 to \$35,034 per common policy. The Department requested no indirect cost assessment for this line for FY 2008-09. Therefore, the resulting appropriation for FY 2008-09 was \$0 (JBC figure setting document for DPA, March 5, 2008, pg. 41). For FY 2009-10, \$70,097 is requested for a decision item (DI #2 - Training Services Base Increase, November 1, 2008). No appropriation for this purpose is requested for FY 2009-10.

(3) COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM (C-SEAP)

PERSONAL SERVICES

This Line Item Originates From the Following Source(s): CRS 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. HB 02-1226 granted the authority of the State Personnel Director to create a State Employee Assistance Program. This line item and the associated appropriations of FTE and personal services funding support the C-SEAP staff within the Division of Human Resources. C-SEAP functions include offering counseling to all State employees on workplace issues such as absenteeism, sexual harassment, substance abuse, time management, violence in the workplace, and any emotional, mental, or personal problem which may be affecting an employee's ability to function at work. The program also provides guidance to program managers to address these workplace issues. Personal services supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops.

The appropriation for the C-SEAP Personal Services line in FY 2007-08 was \$298,474 and 4.5 FTE. The salary survey allocation for FY 2007-08 was \$13,940. The Performance-Based Pay allocation was \$4,718. The Department submitted a request for a decision item for \$316,724 for this line. JBC staff recommended, and the committee approved an increase of \$302,692 (JBC figure setting document for DPA, March 5, 2008, pp. 44-45). For FY 2008-09, the total appropriation was \$619,824. \$8,872 is allocated for salary survey, and \$2,651 is for Performance-Based Pay. For FY 2009-10, a decision item in the amount of \$63,385 was requested for the Ombuds Program (DI #7 – Ombuds Program Base Increase, November 1, 2008). The total request for this line for FY 2009-10 is \$694,732. This appropriation has historically been supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interested derived from said funds, per Long Bill annotation.

OPERATING EXPENSES

CRS 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. HB 02-1226 granted the authority of the State Personnel Director to create a state employee assistance program. This line item supports the operating expenses of the C-SEAP Program, including supplies for staff and travel expenses.

The appropriation for FY 2007-08 for this line was \$37,233. For FY 2008-09, Statewide Decision Item #3, “C-SEAP Program Funding,” which included an increase of \$34,595 was approved, resulting in a final FY 2008-09 request of \$71,828 (JBC figure setting document for DPA, March 5, 2008, pg. 45). For FY 2009-10, annualization of the FY 2008-09 C-SEAP Program funding decision item is requested in the amount of (\$19,003). A Statewide Common Policy Decision Item for FY 2009-10 also affects this line; NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008, would increase the appropriation by \$151. Another decision item in the amount of \$6,178 for the Ombuds Program affects the FY 2009-10 request (DI #7 – Ombuds Program Base Increase, November 1, 2008). The total appropriation requested for FY 2009-10 is \$59,154. This appropriation has historically been supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interested derived from said funds, per Long Bill annotation.

INDIRECT COST ASSESSMENT

CRS 24-50-604 provides the statutory authorization for the Program. The Program is pursuant to Section 24-50-604 (1) (k) (I), C.R.S. HB 02-1226 granted the authority of the State Personnel Director to create a state employee assistance program. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

The appropriation for FY 2007-08 for this line was \$63,788. For FY 2008-09, the JBC approved an indirect cost assessment adjustment of \$98,507 (JBC figure setting document for DPA, March 5, 2008, pg. 45). The resulting appropriation for FY 2008-09 is \$162,295, as identified in the FY 2008-09 Statewide Indirect Cost Plan. For FY 2009-10, an adjustment of \$49,479 is requested. The total appropriation requested for FY 2009-10 is \$112,816. This appropriation has historically been supported by an amount set forth by the Department in the program procedures adopted pursuant to Section 24-50-604(1)(k)(IV), C.R.S., and may include, but need not be limited to, funds from the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Risk Management Fund created in Section 24-30-1510(1), C.R.S., and any interested derived from said funds, per Long Bill annotation.

(B) EMPLOYEE BENEFITS SERVICES

PERSONAL SERVICES

The authority for this program is found in CRS 24-50-601. This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration, and was housed in the Executive Director's Office. It was moved to the Division of Human Services as of the FY 1995-96 Long Bill. This line item and the associated appropriations of FTE and personal services funding collectively support the Employee Benefits Services staff within the Division of Human Resources and the administration of the employee group benefits plans, the State of Colorado Deferred Compensation Plan, and the State of Colorado Defined Contribution Plan. The Units provide the initial design of the employee benefit programs as well as the subsequent contractual, administrative and financial management of these benefits programs. The appropriation supports all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, and includes the state's contribution to the Public Employees' Retirement Fund. Also, the funding supports contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and approved tuition for employee workshops.

The appropriation for FY 2006-07 was \$910,052, and was reduced per JBC approved base building salary increases and JBC base reductions in FY 2007-08 to \$905,502. The allocation for salary survey was \$18,898, and \$6,522 for Performance-Based Pay. For FY 2008-09, \$21,883 was appropriated for HB 07-1335 – Supplemental Low Income Benefits (JBC figure setting document for DPA, March 5, 2008, pg. 46). The resulting appropriation for FY 2008-09 is \$952,805. For FY 2008-09, \$25,889 for salary survey was allocated as well as \$7,457 for Performance-Based Pay. The total base request for for FY 2009-10 is \$986,151. This appropriation has historically been supported by the General Fund, the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S., and the Defined Contribution Administration Fund created in Section 24-52-203(9)(b), C.R.S., per Long Bill annotation.

OPERATING EXPENSES

This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This line item supports the operating expenses for the Employee Benefits Unit, which administers the State's employee benefit programs, including four options in the self-funded medical plan, one of which is qualified for the Health

Savings Account offered through the Third Party Administrator, two fully insured Health Maintenance Organization (HMO) medical plans, three self-funded dental plans, basic and optional life insurance plans (including accidental death and dismemberment), short-term and optional long-term disability, Section 125 pretax premiums and two flexible spending accounts (dependent and health care). The appropriation for FY 2006-07 and FY 2007-08 for this line was \$52,225. For FY 2008-09, HB 07-1335 – Supplemental Low Income Benefits increased the appropriation by \$70,500 (JBC figure setting document for DPA, March 5, 2008, pg. 47). The resulting appropriation for FY 2008-09 is \$122,725. For FY 2009-10, an increase of \$854 through NP Statewide Common Policy Decision Item – Mail and Postage Increase is requested. The total appropriation requested for FY 2009-10 is \$123,579. This appropriation has historically been supported by the General Fund, the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S., and the Defined Contribution Administration Fund created in Section 24-52-203(9)(b), C.R.S., per Long Bill annotation.

UTILIZATION REVIEW

The authority for this line is found in CRS 24-50-601. This line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. This appropriation supports the audits of benefits plans administered by the State to ensure that they are financially sound and accurate.

The appropriation for FY 2007-08 for this line was \$40,000. The FY 2008-09 appropriation remains at \$40,000 (JBC figure setting document for DPA, March 5, 2008, pg. 47), as does the FY 2009-10 request. This appropriation has historically been supported by the General Fund and the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

DEFERRED COMPENSATION PLANS

The plan is established in Section 24-52-102, which dictates that the State Personnel Director shall manage the plan. The line was first placed in the Department of Personnel and Administration in HB 95-1362, which merged the Departments of Personnel and Administration. The Department and the Division of Human Resources are responsible for administration of the state employees' 457 Deferred Compensation Plan. Appropriations for the plan support mailings, dues and memberships, registration fees, and contracted services. The FY 2008-09 appropriation was at the continuation level of \$84,500.

The appropriation for FY 2006-07 and FY 2007-08 for this line was \$84,500. The FY 2008-09 appropriation remains at \$84,500 (JBC figure setting document for DPA, March 5, 2008, pg. 47), as does the FY 2009-10 request. This appropriation has historically been supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S., per Long Bill annotation.

DEFERRED COMPENSATION ADMINISTRATION (TPA)

This line item was added as the result of a JBC approved FY 2005-06 Budget Amendment. This appropriation supports payments to the third party administrator (TPA) for the State Deferred Compensation Plans.

The appropriation for FY 2006-07 and FY 2007-08 for this line was \$682,000. The FY 2008-09 appropriation remains at \$682,000 (JBC figure setting document for DPA, March 5, 2008, pg. 47), as does the FY 2009-10 request. This appropriation has historically been supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S., per Long Bill annotation.

DEFINED CONTRIBUTION PLANS

This appropriation supports administration of the State's defined contribution plans: Public Officials and State Employees Defined Contribution Retirement Plan for members of the General Assembly and other staff of the General Assembly, the Governor's Office, and the Cabinet who are outside the state personnel system. The Deferred Compensation committee administers both the Deferred Compensation (457) and Defined Contribution (401) plans.

The appropriation for FY 2007-08 for this line was \$11,226. The FY 2008-09 appropriation remains at \$682,000 (JBC figure setting document for DPA, March 5, 2008, pg. 47), as does the FY 2009-10 request. This appropriation has historically been supported by the Defined Compensation Administration Fund created in Section 24-52-203(9)(b), C.R.S., per Long Bill annotation.

HB 07-1335 SUPPLEMENTAL STATE CONTRIBUTION FUND

This line item is initiated based on HB 07-1335, which requires the Department to establish a pilot disease management program using money from the Short-term Innovative Health Program Grant Fund established in S.B. 07-97. SB 07-097 establishes a new fund to be

administered by the Department beginning in FY 2007-08. This money will be used by the Department to supplement the monthly state contribution for state employee group benefit plans that include medical benefits by an equal amount for each employee.

The appropriation for FY 2007-08 for this line was \$260,135. The Department requested to include \$1,500,000 (Supplemental State Contribution Fund) for this line item for informational purposes in the FY 2008-09 Long Bill. The JBC voted to approve the Department's request, but applied more recent projections provided by JBC staff regarding Tobacco Settlement moneys that will flow into the Supplemental State Contribution Fund. An informational appropriation of \$1,739,729 cash funds was approved (JBC figure setting document for DPA, March 5, 2008, pp. 48-49). The Department's request for FY 2009-10 is for continuation funding. This appropriation has historically been supported by the Supplemental State Contribution Fund created in Section 24-50-609(5), C.R.S., per Long Bill annotation.

INDIRECT COST ASSESSMENT

This line represents the Indirect Cost Assessment for the Employee Benefits Unit. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The appropriation for FY 2006-07 was \$119,766, and was decreased per common policy in FY 2007-08 to \$98,315. The FY 2008-09 assessment per Common Policy was \$210,609 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 49). An increase of \$103,571 is requested for FY 2009-10, resulting in a requested appropriation of \$314,180. This appropriation has historically been supported by the General Fund, the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S., and the Defined Contribution Administration Fund created in Section 24-52-203(9)(b), C.R.S., per Long Bill annotation.

(C) RISK MANAGEMENT SERVICES

Risk Management Services consists of the following service areas:

Workers' Compensation Fund

This activity provides the workers' compensation coverage for State employees. Workers' compensation is self-funded and claims are administered by a third party administrator (TPA).

- The Liability Fund

This activity provides self-funded general liability coverage for State agencies, institutions of higher education, and State employees for tort and federal claims. Claims are administered internally through oversight of third-party adjusters and internal employment claims expertise.

- Property Fund

This activity provides property casualty loss coverage for State assets, including 9,000 State vehicles and 5,000 State buildings. Coverage is provided through a commercial casualty insurance policy.

- Loss Control

This activity provides loss prevention training and related services to State agencies, and institutions of higher education in all three fund areas (workers' compensation, liability and property).

Liability claims and lawsuits arise from allegations of State negligence related to such occurrences as auto accidents, employment discrimination, and road maintenance. Most of the 2,200 liability claims presented against the State each year are denied, as they are subject to protection found in the Colorado Governmental Immunity Act (CGIA). Most of the payment dollars are related to federal law, where the focus is on civil rights and employment. Workers' compensation benefits for State employees (over 5,000 claims per year) are administered on a self-funded basis. The costs in the self-funded liability and workers' compensation programs are allocated to State agencies and institutions of higher education based on pro-rata claims history.

Property exposures (e.g., floods, wind, fires, and theft) are covered by commercial casualty insurance with broad all-risk coverage. Risk Management Services administers large policy deductibles, and pursuant to statute, State agencies and institutions of higher education pay the first \$1,000 per claim. Policy premiums are allocated to State agencies and institutions of higher education based on pro-rata building and content values.

PERSONAL SERVICES

This line item and the associated appropriations of FTE and personal services the collective personal services needs of Risk Management Services. Risk Management Services protects the State's human resource and property assets through the administration of liability, property, workers' compensation and loss control programs. Services provided include, but are not limited to, accident investigation, legal defense, safety training, hazard mitigation, building inspections, contract review, insurance procurement, property valuation, risk financing, claim evaluation, seminar presentation, workers' compensation medical management, statistical analysis, data collection and premium assessment. Personal services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state's contribution to the Public Employees' Retirement Fund. Also, contractual

services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The appropriation for FY 2006-07 was \$579,219, and was increased for JBC approved salary increases and base reductions in 2007-08 to \$605,973. The salary survey allocation was \$20,149, and the Performance-Based Pay allocation was \$7,221, resulting in a base appropriation for FY 2008-09 of \$633,343 (JBC figure setting document for DPA, March 5, 2008, pp. 49-50). For FY 2008-09, the salary survey allocation is \$20,034, and \$5,834 for Performance-Based Pay. The total appropriation requested for FY 2009-10 is \$659,211. The annual funding source for this appropriation is reserves in the Risk Management Fund pursuant to Section 24-30-1510(3), C.R.S., the Self-Insured Property Fund pursuant to Section 24-30-1510.5(3), C.R.S., and the State Employee Workers' Compensation Account pursuant to Section 24-30-1510.7(2), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

This line has existed since the inception of Risk Management Services and supports the operating expenses for Risk Management Services.

The appropriation for FY 2006-07 and FY 2007-08 for this line was \$57,104. The FY 2008-09 appropriation was also continued at \$57,104. For FY 2009-10, the Department is requesting an increase for postage and mail (NP Statewide Common Policy – Mail and Postage Increase for \$207, submitted November 1, 2008). The total requested appropriation for FY 2009-10 is \$57,311. The annual funding source for this appropriation is reserves in the Risk Management Fund pursuant to Section 24-30-1510(3), C.R.S., the Self-Insured Property Fund pursuant to Section 24-30-1510.5(3), C.R.S., and the State Employee Workers' Compensation Account pursuant to Section 24-30-1510.7(2), C.R.S., as identified by Long Bill annotation.

LEGAL SERVICES FOR 31,860 HOURS

The statutory authority for this line item is found in Section 24-30-1507, C.R.S. Funds in the Liability Program are continuously appropriated for this line item pursuant to Section 24-30-1510 (1) and Section 24-30-1510 (3) (a), C.R.S. This line item addresses legal expenses associated with the Liability Program. For the past several years, the Department has been appropriated a steady level of 31,860 legal services hours.

Based upon the Department of Law hourly rate as approved by the JBC, this rate and the associated hours resulted in an appropriation for FY 2006-07 of \$2,159,152 and FY 2007-08 of \$2,294,876. For FY 2008-09, JBC action for common policies for Legal Services was \$97,810 (JBC figure setting document for DPA, March 5, 2008, pg. 50), resulting in a total appropriation of \$2,392,686. For FY 2009-10, the Department is requesting continuation funding. The annual funding source for this appropriation is from appropriations to other state agencies for the Risk Management Fund created in Section 24-30-1510(1), C.R.S., as identified by Long Bill annotation. The Risk Management Fund receives revenues from two primary sources: payments from State agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-1510 (1), C.R.S.

LIABILITY PREMIUMS

This line was created pursuant to Section 24-30-1510, C.R.S. The Liability Program is used to pay liability claims and expenses brought against the state. The program provides coverage to State agencies and employees for tort and federal claims, including those arising out of the scope of employment. The State is self insured for the Liability Program. Judgments for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S. This act limits judgments to \$150,000 per person and \$600,000 per occurrence. This act does not apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.). Therefore, there is no damage limit for these awards.

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The appropriation for FY 2006-07 for this line was \$8,345,546 and in FY 2007-08 was \$9,255,890, increased per common policy. For FY 2008-09, a budget amendment was submitted to make adjustments to risk management services funding (Statewide Budget Amendment #3 – Technical Changes to Risk Management, January 20, 2008). A reduction of \$278,753 was requested and approved (JBC figure setting document for DPA, March 5, 2008, pp. 50-53), resulting in a total appropriation of \$8,977,137. For FY 2009-10, the Department is requesting continuation funding. The annual funding source for this appropriation is from appropriations to other state agencies for the Risk Management Fund created in Section 24-30-1510(1), C.R.S., as identified by Long Bill annotation. The Risk Management Fund receives revenues from two primary sources: payments from State agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments from the "Liability Premiums" line item are continuously appropriated pursuant to Section 24-30-1510 (1), C.R.S.

PROPERTY PREMIUMS

The Property Program pays for commercial insurance and associated deductibles to cover State properties and assets. The program provides property loss coverage for State assets, including building and contents value. The Property Program is funded by appropriations from the Self-Insured Property Fund created pursuant to Section 24-30-1510.5, C.R.S. The Property Fund receives revenue from two primary sources: payments from state agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated pursuant to Section 24-30-1510.5 (1), C.R.S.

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The appropriation for FY 2006-07 was \$8,805,849 and FY 2007-08 for this line was \$9,214,224, in accordance with common policy. For FY 2008-09, a budget amendment was submitted to make adjustments to risk management property premiums funding (Statewide Budget Amendment #4 – Risk Management Services Funding Adjustments, January 20, 2008). An increase of \$2,641,729 was requested and approved (JBC figure setting document for DPA, March 5, 2008, pp. 53-54), resulting in a total appropriation of \$11,855,953. For FY 2009-10, the Department is requesting continuation funding. The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The Property Program is funded by appropriations from the Self-Insured Property Fund created pursuant to Section 24-30-1510.5, C.R.S. The Property Fund receives revenue from two primary sources: payments from state agencies and interest. The General Assembly appropriates spending authority for program costs in the Long Bill. However, payments made from the "Property Premiums" line item for property premiums, deductibles, and claims are continuously appropriated pursuant to Section 24-30-1510.5 (1), C.R.S.

WORKERS' COMPENSATION PREMIUMS

The Workers' Compensation Program is used to pay workers' compensation benefits to State employees. Like the Liability Program, the state is self-insured for workers' compensation claims. Unlike the Liability Program, the Governmental Immunity Act does not apply to workers' compensation claims. There are two broad categories of workers' compensation payments: medical payments and indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S., and there is no maximum for medical benefits. The state's ultimate liability for any one claim could be significant if a severely injured employee lives for a long period of time.

The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The appropriation for FY 2006-07 was \$30,305,844 and in FY 2007-08 was \$29,807,598, in accordance with common policy. For FY 2008-09, a budget amendment was submitted to make adjustments to risk management property premiums funding (Statewide Budget Amendment #3 – Technical Changes to Risk Management, January 20, 2008). An increase of \$2,089,185 was requested and approved (JBC figure setting document for DPA, March 5, 2008, pg. 54), resulting in a total appropriation of \$31,896,783. For FY 2009-10, the Department is requesting continuation funding. The level of the premium is determined annually as part of the Risk Management and Workers' Compensation Common Policy per OSPB Budget Instructions. The Workers' Compensation Program is funded by appropriations from the State Employee Workers' Compensation Account, a separate account within the Risk Management Fund pursuant to Section 24-30-1510.7, C.R.S. Similar to the Liability Program, the fund receives revenue from payments from State agencies and interest. Moneys in the State Workers' Compensation Account are subject to annual appropriation by the General Assembly for the purposes of paying workers' compensation benefits to State employees in accordance with articles 40 to 47 of Title 8, C.R.S. (Section 24-30-1510.7 (2)) .

INDIRECT COST ASSESSMENT

This line represents the Indirect Cost Assessment for Risk Management. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The appropriation for FY 2006-07 was \$139,450, and decreased in FY 2007-08 to \$137,080, per common policy. For FY 2008-09, the Department requested an appropriation of \$205,237, as identified in the FY 2008-09 Statewide Indirect Cost Plan, which was approved (JBC figure setting document for DPA, March 5, 2008, pg. 54). For FY 2009-10, the Department requests an increase of \$5,560, for a total appropriation of \$210,797. The annual funding source for this appropriation is reserves in the Risk Management Fund pursuant to Section 24-30-1510(3), C.R.S., the Self-Insured Property Fund pursuant to Section 24-30-1510.5(3), C.R.S., and the State Employee Workers' Compensation Account pursuant to Section 24-30-1510.7(2), C.R.S., as identified by Long Bill annotation.

(3) PERSONNEL BOARD

PERSONAL SERVICES

This line is a result of Article XII, Sections 13 through 15, of the Colorado Constitution, and is pursuant to Section 24-50-103, C.R.S. This line was placed in the Department of Personnel and Administration in HB 95-1362, which merged the Department of Personnel and the Department of Administration. This line item and the associated appropriations of FTE and personal services funding support the State Personnel Board staff and functions. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit. The Board conducts administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution. The Board also provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. Personal Services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The appropriation for FY 2006-07 \$427,810, and increased by on JBC approved base-building salary increases and base reductions, for a resulting appropriation in FY 2007-08 of \$437,357. The salary survey allocation was \$14,883, and the Performance-Based Pay allocation was \$4,705, resulting in a total base appropriation for FY 2008-09 of \$456,945 (JBC figure setting document for DPA, March 5, 2008, pg. 55). For FY 2008-09, the salary survey allocation was \$22,552, and the Performance-Based Pay allocation was \$6,394. For FY 2009-10, a budget-neutral fund mix adjustment is requested. The Department requests a FY 2009-10 appropriation of \$485,891. The annual funding source for this appropriation is receipts collected for copies of information and case documentation, as well as statewide indirect cost recoveries from the Department of Labor and Employment, the Department of State, and the Department of Higher Education, as identified by Long Bill annotation.

OPERATING EXPENSES

This line has existed since the inception of the Personnel Board, originating from Article XII, Sections 13 through 15, of the Colorado Constitution, and is pursuant to Section 24-50-103, C.R.S. This line supports the operating expenses for the Board.

The appropriation for FY 2006-07 and FY 2007-08 for this line was \$29,033. For FY 2008-09, continuation funding was requested and approved (JBC figure setting document for DPA, March 5, 2008, pg. 56). For FY 2009-10, a decision item for mail and postage

increase is requested for \$264 (NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008). The Department requests a total FY 2009-10 appropriation of \$29,297. The appropriation has been at a continuation level for several fiscal years. The annual funding source for this appropriation is from statewide indirect cost recoveries from the Department of Labor and Employment, the Department of State, and the Department of Higher Education, as identified by Long Bill annotation.

(4) CENTRAL SERVICES

(A) ADMINISTRATION

PERSONAL SERVICES

The Statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Administration in the Division of Central Services staff and management functions. This section provides administrative support and management oversight for the centralized services provided to all State agencies by the Division of Central Services including, but not limited to executive management, management analysis, contract administration, strategic planning, project coordination, and accounting support. It also includes the Statewide Travel Management program (STMP), which oversees and monitors all State employee travel. The oversight extends to negotiating and administering contracts with travel suppliers—travel card systems, airlines, rental car agencies, lodging providers, travel agencies and various incidental suppliers. STMP provides training, guidance and administrative support for all State agencies, institutions of higher education and participating political subdivisions. Personal Services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state’s contribution to the Public Employees’ Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The appropriation for this line in FY 2006-07 was \$680,479. It was increased by JBC approved base-building salary increases and base reductions, for a base appropriation FY 2007-08 for this line of \$695,491. The salary survey allocation for that year was \$17,670 and the performance-based pay allocation was \$6,655, for a total appropriation of \$719,816 (JBC figure setting document for DPA, March 5, 2008, pg. 57). For FY 2008-09, salary survey was \$24,839 and performance-based pay was \$7,228, resulting in a total appropriation and FY 2009-10 base request of \$751,883. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for the Administration unit.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$77,427. Continuation funding was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 58), and is requested for FY 2009-10 as well. The appropriation has been at a continuation level for several fiscal years. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The Statutory authority for Central Services is found in C.R.S. 24-30-1101 through 1117. This line represents the Indirect Cost Assessment of the Administrative unit in the Division of Central Services. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The appropriation for FY 2006-07 was \$118,539, and was decreased per common policy for a base appropriation in FY 2007-08 of \$84,219. The Department requested and received approval for a reduction of \$31,813, for an FY 2008-09 appropriation of \$52,406 which was consistent with the Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 58). For FY 2009-10, an appropriation of \$100,300 is requested. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., and the Motor Fleet Management Fund created in Section 24-30-1115(1), C.R.S., as identified by Long Bill annotation.

(B) INTEGRATED DOCUMENT SOLUTIONS

(1) REPROGRAPHICS SERVICES

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Reprographics Services performs its duties pursuant to Section 24-30-1104, C.R.S. Also, as a result of a FY 2007-08 Decision Item, appropriations were recalibrated by reducing the appropriated spending authority in the Mail Services Operating Expenses line item, and reallocating amongst several of the other IDS line items (and the Department's Leased Space line item) in a cost neutral request. This line item and the associated appropriations of FTE and personal services funding support the Reprographics Services staff functions in the Division of Central Services. This section specializes in comprehensive commercial and graphic art services, offset printing, and high volume digitalized copying. It also manages the rental of office copiers for low volume operations to other State agencies. Personal Services includes all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state's contribution to the Public Employees' Retirement Fund. Also, contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The base appropriation for FY 2006-07 was \$1,164,275, and was increased by JBC approved base-building salary increases and base reductions for and appropriation in FY 2007-08 of \$1,179,949. The salary survey allocation for that year was \$27,915 and the performance-based pay allocation was \$11,289. The JBC acted to reduce the appropriation by 1%, or \$12,192. Senate Bill 08-155 155 – Centralize IT Management in OIT, did not reduce the appropriation, but did reduce the FTE allocation by 1.3 FTE. The total appropriation for FY 2008-09 was \$1,206,961, down from the original request of \$1,219,066 (JBC figure setting document for DPA, March 5, 2008, pp. 58-59). For FY 2008-09, salary survey was \$14,179 and performance-based pay was \$5,950. Two FY 2009-10 decision items affecting this line are requested: Decision Item #3 – Integrated Document Factory Contingency Fund for \$122,709 and Decision Item #10 – Reprographics Core Business Base Adjustment for \$93,705 (November 1, 2008), resulting in a total FY 2009-10 base request of \$1,443,504. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Reprographics Services performs its duties pursuant to Section 24-30-1104, C.R.S. Also, as a result of a FY 2007-08 Decision Item, appropriations were recalibrated by reducing the appropriated spending authority in the Mail Services Operating Expenses line item, and reallocating amongst several of the other IDS line items (and the Department's Leased Space line item) in a cost neutral request. This line item supports the operating expenses for Reprographics Services, including all costs to perform printing, copier service, and normal office operations.

The base appropriation for FY 2007-07 and FY 2007-08 for this line was \$2,404,752. Continuation funding was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 59). A decision item is requested for FY 2009-10, in the amount of \$240,475 (Decision Item #3 – Integrated Document Factory Contingency Fund, November 1, 2008) for a total FY 2009-10 request of \$2,645,227. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. Reprographics Services performs its duties pursuant to Section 24-30-1104, C.R.S. Also, as a result of a FY 2007-08 Decision Item, appropriations were recalibrated by reducing the appropriated spending authority in the Mail Services Operating Expenses line item, and reallocating amongst several of the other IDS line items (and the Department's Leased Space line item) in a cost neutral request. This line supports the Indirect Cost Assessment for the Reprographics unit. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The FY 2006-07 indirect cost assessment for Reprographics Services was \$237,079, and was reduced per common policy to \$232,704 in FY 2007-08. The FY 2008-09 assessment per Common Policy is \$169,705 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 58). For FY 2009-10, an appropriation of \$147,901 is requested. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(2) DOCUMENT SOLUTIONS GROUP

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Document Solutions staff and functions. This section offers State agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation and image storage. Personal services includes all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state's contribution to the Public Employees' Retirement Fund, and also contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The base appropriation for FY 2006-07 was \$2,708,250, and decreased by JBC approved base-building salary increases and base reductions in FY 2007-08 to \$2,628,267. The salary survey allocation for that year was \$51,406 and the performance-based pay allocation was \$20,203. A budget amendment for FY 2008-09 was requested (BA #1 – Technical Corrections, December 20, 2007 for an increase of \$140,788). The JBC approved a lesser total appropriation of \$2,755,757, which included a 1% base reduction of \$31,152 (JBC figure setting document for DPA, March 5, 2008, pp. 58-59). Senate Bill 08-155 – Centralize IT Management in OIT, did not reduce the FY 2008-09 appropriation, but did reduce the FTE allocation by 4.3 FTE. For FY 2008-09, salary survey was \$60,971 and performance-based pay was \$20,390. Two FY 2009-10 decision items affecting this line are requested: Decision Item #3 – Integrated Document Factory Contingency Fund for \$283,712 and NP Decision Item #14 – PDEC Increases Corresponding to DOR DI-4, for \$154,423 (November 1, 2008), resulting in a total FY 2009-10 base request of \$3,275,253. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for the Document Solutions Group. This section offers State agencies a full range of micrographic and document imaging services and data entry operations. These services include document conversion, data manipulation, document preservation and image storage

(Electronic Document Warehouse). Scanning costs have been previously reported to be up to 60% percent lower than those provided by private entities.

The base appropriation for FY 2006-0 for this line was \$319,846. The FY 2007-08 Long Bill appropriation included an increase of \$85,000 based upon a JBC approved Decision Item that realigned resources allocated to various line items in Integrated Document Solutions, and was for \$404,846 A FY 2008-0.9 Decision Item was approved (Decision Item #2, for \$2,673, November 1, 2007), increasing the appropriation to \$407,519 for FY 2008-09. Four change requests are submitted for FY 2009-10 that would increase the appropriation: NP Statewide Common Policy – Mail and Postage Increase for \$2,119, DI #3 – Integrated Document Factory Contingency Fund, for \$40,752, NP DI #13 – Microfilm Increases Corresponding to DOR DI-5, for \$61,739, and NP DI #15 – Digital Imaging Storage Corresponding to DOR DI-6, for \$60,014). The total requested appropriation for FY 2009-10 is \$572,143. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

UTILITIES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the utility costs associated with the operations of the Document Solutions Group in Pueblo. This section offers State agencies a full range of micrographic and document imaging services and data entry operations.

For FY 2006-07, the appropriation was increased to \$31,745 based upon a JBC approved Decision Item which addressed rising utilities costs and a historic shortfall in this appropriation. The FY 2007-08 Long Bill appropriation includes an increase of \$27,055 based upon a JBC approved Decision Item (Decision Item #2 – IDF Realignment, November 1, 2006) that realigned resources allocated to various line items in Integrated Document Solutions. The resulting FY 2007-08 appropriation of \$58,800 was further increased for FY 2008-09 based upon the out year impact of the above referenced Decision Item, resulting in a FY 2008-09 appropriation of \$69,000 (JBC figure setting document for DPA, March 5, 2008, pp. 60-61). For FY 2009-10, continuation funding is requested. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the Indirect Cost Assessment associated with the operations of the Document Solutions Group. This section offers State agencies a full range of micrographic and document imaging services and data entry operations. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

For FY 2006-07, the appropriation for this line was \$197,566, and was decreased per common policy in FY 2007-08 to \$169,477. The FY 2008-09 assessment per Common Policy was \$136,708 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 61). For FY 2009-10, an increase of \$36,381 is requested, resulting in a total requested appropriation of \$173,089. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(3) MAIL SERVICES

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Mail Services in the Division of Central Services staff and functions. IDS offers mail processing, including postage application, automated document inserting, electronic address processing, inkjet printing, automated postal pre-sorting and bar-coding, overnight shipping, etc.; mail sorting, which includes picking up mail for State agencies and from U.S. Post Offices and processing the mail according to customer specifications before delivery by opening, sorting, date stamping, and perforating; and mail pick-up and delivery of interdepartmental and United States Postal Service mail and printed materials for State offices located in the metro area. Personal Services include all salaries and wages including those paid to full-time, part-time, or temporary employees of the state, including the state's contribution to the Public Employees' Retirement Fund, and also contractual services, consisting of services rendered or performed by firms or individuals other than for employment compensation as an employee of the state and tuition for employee workshops that are approved by personnel system regulations.

The base appropriation for FY 2006-07 was \$1,127,967, and was increased per JCB approved base-building salary increases and base reductions in FY 2007-08 to \$1,230,252. The salary survey allocation for that year was \$25,655 and the performance-based pay allocation was \$10,482. For FY 2008-09, the JBC approved a 1% base reduction of \$12,664 (JBC figure setting document for DPA, March 5, 2008, pp. 61-62). Senate Bill 08-155– Centralize IT Management in OIT, did not reduce the FY 2008-09 appropriation, but did reduce the FTE allocation by 1.4 FTE. For FY 2008-09, salary survey was \$63,023 and performance-based pay was \$22,344. For FY 2009-10 a decision items affecting this line is requested:: Decision Item #3 – Integrated Document Factory Contingency Fund for \$133,909 (November 1, 2008), resulting in a total FY 2009-10 base request of \$1,473,001. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for Mail Services, including those associated with the following functions:

- Mail processing, including postage application, automated document inserting, electronic address processing, inkjet printing, automated postal pre-sorting and bar-coding, overnight shipping, etc.
- Mail sorting, which includes picking up mail for State agencies and from U.S. Post Offices and processing the mail according to customer specifications before delivery. Processing includes opening, sorting, date stamping, and perforating.
- Mail pick-up and delivery of interdepartmental and United States Postal Service mail and printed materials for State offices located in the metro area. Outgoing mail and materials are collected for processing at IDS.
- Recently, IDS Mail Services has seen an increase in on-demand mail delivery. This is partially due to the restructuring of the delivery operations to improve efficiency and better meet customers' needs and expectations.

The base appropriation for FY 2007-08 for this line was \$6,788,394. For FY 2008-09, the appropriation was reduced by \$110,950 to account for the second year impact of a FY 2007-08 decision item #2: IDF Realignment. The JBC approved a budget amendment (Non-Prioritized Budget Amendment #2: CDLE Unemployment Insurance Mail Reimbursements, January 20, 2008) to account for the elimination of direct federal billing of postage and a new allocation method to provide postage funding to each state. As a result of this change in reimbursement methodology, the Department of Labor and Employment is beginning to use Mail Services to process its postage. The resulting FY 2008-09 appropriation was \$7,944,200 (JBC figure setting document for DPA, March 5, 2008, pg. 62). Four change requests are submitted for FY 2009-10 that would increase the appropriation: NP Statewide Common Policy – Mail and Postage Increase for \$11,929, DI #3 – Integrated Document Factory Contingency Fund, for \$794,420, NP Statewide Common Policy

– Fleet Fuel, for \$161,635, Decision Item #5 - Postage Increase, for \$252,571, and Decision Item #8 - Mail Services Equipment Upgrade, for \$1,428,000. The total requested appropriation for FY 2009-10 is \$8,918,362. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line supports the Indirect Cost Assessment for Mail Services. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The FY 2006-07 assessment was for \$355,618, and was reduced in FY 2007-08 per Common Policy to \$276,199. The FY 2008-09 assessment per Common Policy was \$237,215 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 62). For FY 2009-10, an assessment of \$165,988 is requested. This appropriation has historically been supported by fees from user agencies deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(C) FLEET MANAGEMENT PROGRAM & MOTOR POOL SERVICES

PERSONAL SERVICES

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel and Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. This line item and the associated appropriations of FTE and personal services funding support the Executive Office staff and management functions. SFM performs three major roles for the State: For State departments and agencies, SFM is responsible for providing safe, reliable, cost effective vehicles uniquely tailored to best meet their

specific program requirements. For the citizens of the state, SFM insures that State vehicles are purchased and maintained throughout their life cycle at the lowest available cost. For the Legislature, SFM manages statutory programs, ensures legal and regulatory compliance, and provides accurate information concerning trends in expense, utilization, fleet size and other relevant information to facilitate knowledgeable oversight and decision-making. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$777,714, and was increased per JBC approved base-building salary increases and base reductions in FY 2007-08 to \$799,562. The salary survey allocation for that year was \$31,984 and the performance-based pay allocation was \$7,969. Senate Bill 08-155 – Centralize IT Management in OIT, did not reduce the FY 2008-09 appropriation, but did reduce the FTE allocation by 2.0 FTE. For FY 2008-09, salary survey was \$27,904 and performance-based pay was \$8,611. The Department's request for a Green Fleet Coordinator, \$12,481, was not approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pp. 63-64). The total base request for FY 2009-10 was \$866,030. This appropriation has historically been supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally place in the Department of Personnel and Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration.

This operating expenses line item supports fuel costs, the cost of maintenance and other business operating costs for the State Fleet Management program and all vehicles enrolled in the fleet on behalf of State agency customers. Total fuel expenditures for the fleet are determined by the cost of fuel, the overall average fuel-efficiency of the State fleet, and the number of miles driven fleetwide over the course of the year. For reference, because the State fleet uses approximately four million gallons of fuel per year, each \$.10 increase in fuel price creates a \$400,000 increase in annual expense. The State Fleet Management Program provides light duty vehicles including sedans, vans, SUV's, motorcycles, and pickup trucks to all State agencies on a long-term basis. In addition, with the

passage of SB-015, all vehicles regardless of size were to be enrolled in the State Fleet Management Program during FY 2006-07. This added an additional 400+ specialized vehicles with a GVWR of one ton and greater to the fleet. With SFM managing all aspects of vehicle procurement and operations—acquisition, repairs, maintenance, and disposal—State agencies and employees can focus all of their resources on accomplishing their program missions.

Several factors beyond the State's control require the Department to contemplate adjustments to appropriated spending authority and underlying assumptions concerning fuel and maintenance expenditures annually. Many critical measures have already been adopted in recent fiscal years in an effort to mitigate cost increases including mileage reductions, cost controls, reductions in total fleet size, and a migration to more fuel efficient vehicles. Even with a robust and efficient cost containment structure in place, along with the significant benefits and efficiencies realized through centralized fleet management, SFM still is not immune to the pressures faced by the national and global economy, including the impact of high fuel costs, and the impact of vehicle replacements as it relates to pressure on maintenance costs. The appropriation for FY 2006-07 was \$18,139,386, and was increased per JBC action in FY 2007-08 to \$22,797,754. For FY 2008-09, the appropriation was reduced by \$2,120,321. For FY 2009-10, a decision item in the amount of \$8,036,817 is requested (DI #1 – State Fleet Management Operating Increase, November 1, 2008), which would result in a total request of \$28,720,428. This appropriation has historically been supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

VEHICLE REPLACEMENT LEASE, PURCHASE OR LEASE/PURCHASE

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally place in the Department of Personnel and Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. The Department of Personnel and Administration is responsible for the lease payments for all vehicles in the state's fleet. The appropriation for this line item is impacted each budget cycle by the annual Statewide Fleet Replacements Decision Item. The final annual appropriation is dependent upon the JBC action on this annual request.

The appropriation for this line for FY 2006-07 was for \$12,460,951, and was increased per common policy in FY 2007-08 to \$14,370,521. For FY 2008-09, a common policy adjustment of (\$1,812,318) reduced the line to \$12,588,203 (JBC figure setting document for DPA, March 5, 2008, pg. 65). For FY 2009-10, Decision Item #9 – Annual Fleet Vehicle Replacement for \$2,628,526, and 13 non-prioritized decision items for spending authority corresponding to other department decision items totaling \$135,171 (November 1, 2008) are requested. The total appropriation requested for FY 2009-10 is \$15,321,900. This appropriation has historically been supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

This line has existed since the inception of the Fleet Management Program and Motor Pool Services, and was originally placed in the Department of Personnel and Administration through HB 95-1362, which created the Department by merging the Department of Personnel and the Department of Administration. This line supports the Indirect Cost Assessment for State Fleet Management. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them. The FY 2007-08 indirect cost assessment for the State Fleet Management Program and Motor Pool Services is \$430,448, and the FY 2008-09 assessment per Common Policy is \$302,858 as identified in the FY 2008-09 Statewide Indirect Cost Plan.

For FY 2006-07, the appropriation for this line was \$632,210, and was decreased per OSPB common policy in FY 2007-08 to \$430,448. The FY 2008-09 assessment per Common Policy was \$302,858 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 66). For FY 2009-10, an increase of \$150,635 is requested, resulting in a total requested appropriation of \$453,493. This appropriation has historically been supported by fees from user agencies deposited in the Motor Fleet Management Fund created in Section 24-30-1115, C.R.S., as identified by Long Bill annotation.

(D) FACILITIES MAINTENANCE

CAPITOL COMPLEX FACILITIES

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support staff of Capitol Complex Facilities. This unit performs asset and property management functions for the State. It maintains the grounds and buildings in the Capitol Complex encompassing

approximately 900,000 square feet of office space serving thousands of State employees. This section is responsible for providing housekeeping, grounds maintenance, and property management functions for the Capitol Complex, the State Capitol Building, 1881 Pierce Street, the Kipling “campus”, and North Campus as well as various other facilities. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State’s contribution to the Public Employees’ Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State’s share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$2,562,661, and was increased per JBC approved base-building increases in salary and base reductions in FY 2007-08 to \$2,601,617. The salary survey allocation for that year was \$65,637 and the performance-based pay allocation was \$26,763. For FY 2008-09, a 1% base reduction was adopted by the JBC (\$26,940), and the Department’s decision item requesting the merging of the Capitol Complex, Grand Junction State Services Building, and Camp George West Personal Services and Operating lines was not approved. Salary survey for FY 2008-09 was \$54,914 and performance-based pay was \$23,905 (JBC figure setting document for DPA, March 5, 2008, pp. 67-68), resulting in a total appropriation and FY 2009-10 base request of \$2,745,896. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses for Capitol Complex Facilities, including expenses associated with providing building maintenance including HVAC, plumbing, electrical, elevators, lights, general maintenance; day and evening custodial services (in-house and contractor); grounds maintenance and building security.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$1,637,466. For FY 2008-09, the appropriation was increased by \$85,000 to transfer funds from the utilities line into the operating line to purchase items such as filters, chemicals, light bulbs/fixtures, etc. that are directly associated with the State's energy performance contract for Capitol Complex Facilities (expenditures that are already incurred from the utilities line, but which are more appropriate to reside within the operating line) – Statewide Budget Amendment #2, December 20, 2007. The total appropriation approved for FY 2008-09 is \$1,722,466 (JBC figure

setting document for DPA, March 5, 2008, pg. 68). Two decision items are submitted for FY 2009-10 that would increase the appropriation: NP Statewide Common Policy – Fleet Fuel for \$3,711 and NP Statewide Common Policy – Mail and Postage Increase, for \$151. The total requested appropriation for FY 2009-10 is \$1,726,328. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

CAPITOL COMPLEX REPAIRS

This appropriation supports Capitol Complex repairs not funded in the base operating expenses appropriation. In FY 1999-2000, the General Assembly created a separate line and appropriated additional base funding for routine HVAC repairs in the Capitol Complex. The cash funds exempt represents lease payments transferred from other State agencies located in the Capitol Complex.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$56,520. For FY 2008-09, continuation funding was approved (JBC figure setting document for DPA, March 5, 2008, pp. 68-69). Continuation funding is again requested for FY 2009-10. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

CAPITOL COMPLEX SECURITY

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item pays for a portion of the security related to the Capitol Complex. The Department collects funds through the rental rate it charges agencies in the Denver Campus of Capitol Complex. These funds are then transferred to the Department of Public Safety, which is the department responsible for the Executive Security Unit.

The FY 2006-07 appropriation was \$260,379 and the appropriation was increased based upon JBC action taken during the Department of Public Safety figure setting in FY 2007-08 to \$289,484. For FY 2008-09, the JBC voted to increase the appropriation to \$304,163 upon input from the Department of Public Safety (JBC figure setting document for DPA, March 5, 2008, pg. 69). Continuation funding is requested for FY 2009-10. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

SB 07-086 – FALLEN HEROES MEMORIALS CONSTRUCTION FUND

SB 07-086 created a five-member commission in the Department of Personnel and to oversee the design and construction of war memorials. The war memorials will be erected near the Colorado Veterans Monument in Lincoln Park to honor the lives of Coloradans who died during specific military conflicts. (The bill also creates the Fallen Heroes Memorial Construction Fund in the state Treasury.) Of note, the bill further specifies that relevant costs are to be paid by appropriation from the Fallen Heroes Memorial Construction Fund from gifts, grants, and donations. In the event that money in the fund is insufficient to cover these costs, the General Fund will offset the amount of any deficiency through the annual budgeting process. The General Fund will be reimbursed when money in the Fallen Heroes Memorial Construction Fund becomes available.

The base appropriation for FY 2007-08 for this line was \$13,225. For FY 2008-09, Senate Bill 07-86 – Fallen Heroes Memorials Construction Fund increased the appropriation to \$24,069 (JBC figure setting document for DPA, March 5, 2008, pg. 69). Continuation funding is requested for FY 2009-10. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

UTILITIES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item addresses utilities costs for the Capitol Complex. The Department has contracted with Chevron Energy Solutions to perform performance-based contracting services throughout the Capitol Complex and associated buildings, Grand Junction, the three Lakewood buildings and North Campus. The goal of this project is to conserve energy through tenant awareness and the replacement or upgrading of older, inefficient systems. This project began in the spring of 2002 with an energy audit of all the Capitol Complex buildings. This audit identified energy savings projects which included the replacement of lights and toilets, new boilers and chillers, and the installation of new energy management computerized controls. These improvements were financed through the projected energy savings directly related to the individual project over a predetermined period of time. As a result, the Department has been able to facilitate the most optimal levels of Utilities costs in the Capitol Complex, even during times when the costs of such commodities have routinely increased for all.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$7,342,802. For FY 2008-09, Statewide Budget Amendment #2, December 20, 2007, decreased the appropriation to \$3,657,802 by transferring \$85,000 to operating (JBC figure setting document

for DPA, March 5, 2008, pg. 69). Continuation funding is requested for FY 2009-10. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This appropriation supports the Indirect Cost Assessment for the Capitol Complex. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The base appropriation for FY 2006-07 was \$434,644, and was decreased per common policy in FY 2007-08 to \$377,456. The FY 2008-09 assessment per Common Policy was \$273,929 as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, pg. 69). For FY 2009-10, an increase of \$161,131 is requested, resulting in a total requested appropriation of \$435,060. This appropriation has historically been supported by fees from the Fallen Heroes Memorials Construction Fund created in Section 24-80-1402(3)(a), C.R.S., and from user fees deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(1) GRAND JUNCTION STATE SERVICES BUILDING

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support the Grand Junction State Services Building. This section provides property and building management at the State Services Building in Grand Junction. It is staffed by 1.0 FTE responsible for building maintenance Personal services includes all salaries and wages, including salary survey and performance based pay, including the

State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$44,697, and was increased per JBC approved base-building salary increases in FY 2007-08 to \$45,336. The salary survey allocation for that year was \$1,154 and the performance-based pay allocation was \$513. The base appropriation for FY 2008-09 was \$47,003, salary survey was \$966 and performance-based pay was \$490. The department requested no appropriation for this line item for FY 2008-09 pursuant to Decision Item #3 - Capitol Complex Facilities Consolidation, but the JBC voted not to approve the decision item and continue funding. (JBC figure setting document for DPA, March 5, 2008, pg. 70). \$48,459 is requested for FY 2009-10. This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses associated with the property management and maintenance functions provided by the Division at the Grand Junction State Services Building, including those associated with building maintenance, custodial services, and grounds maintenance. The building contains 34,499 square feet and has nine tenants.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$76,873. For FY 2008-09, continuation funding was approved (JBC figure setting document for DPA, March 5, 2008, pg. 70), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation (Decision Item #3, November 1, 2008). Continuation funding is requested for FY 2009-10. This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

UTILITIES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item addresses utilities costs for the Grand Junction State Services Building. The Department has contracted with Chevron Energy Solutions to perform performance-based contracting services throughout the Capitol Complex and associated buildings, Grand Junction, the three Lakewood buildings and North Campus. The goal of this project is to conserve energy through tenant awareness and the replacement or upgrading of older, inefficient systems. This project began in the spring of 2002 with an energy audit of all the Capitol Complex buildings. This audit identified energy savings projects which included the replacement of lights and toilets, new boilers and chillers, and the installation of new energy management computerized controls. These improvements were financed through the projected energy savings directly related to the individual project over a predetermined period of time. As a result, the Department has been able to facilitate the most optimal levels of Utilities costs in the Capitol Complex, even during times when the costs of such commodities have routinely increased for all.

The base appropriation for FY 2007-08 for this line was \$87,554. For FY 2008-09, continuation funding was approved (JBC figure setting document for DPA, March 5, 2008, pg. 70). Continuation funding is again requested for FY 2009-10. This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(2) CAMP GEORGE WEST

PERSONAL SERVICES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item and the associated appropriations of FTE and personal services funding support Camp George West. This section provides property and building management at Camp George West, located in Golden. The land was deeded to the State on July 1, 1999, and DPA has the authority to manage the property. It is staffed by 1.0 FTE responsible for building maintenance. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$61,572, and was increased per JBC approved base-building salary increases in FY 2007-08 to \$64,565. The salary survey allocation for that year was \$1,154 and the performance-based pay allocation was \$513. The JBC approved a base appropriation for FY 2008-09 was \$66,232, salary survey was \$9,870 and performance-based pay was \$3,539 (JBC figure setting document for DPA, March 5, 2008, pg. 71), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation (Decision Item #3, November 1, 2008). \$79,641 is requested for FY 2009-10. This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports the operating expenses associated with the property management and maintenance functions provided by the Division at Camp George West, located in Golden. The land was deeded to the State on July 1, 1999 and DPA has the authority to manage the property. The campus contains 285,755 square feet and has six tenants for FY 2007-08. Operating expenses are related to custodial services, snow removal, lot and road repair, trash disposal and grounds maintenance.

The base appropriation for FY 2006-07 was \$166,281, and was reduced as a result of removal of one-time funding associated with a DPA Decision Item for Noxious Weeds in FY 2007-08, for an appropriation of \$122,102. The JBC approved continuation funding for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 71), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation (Decision Item #3, November 1, 2008). An appropriation of \$166,290 is requested for FY 2009-10, including \$44,188 for Decision Item #12 – Camp George West Noxious Weeds Ongoing Increase, November 1, 2008. This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

UTILITIES

The Statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line item supports utilities costs for Camp George West, located in Golden. The land was deeded to the State on July 1, 1999 and DPA has the authority to manage the property.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$434,350. The JBC approved continuation funding for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 71). Continuation funding is again requested for FY 2009-10.

This appropriation has historically been supported by fees from user agencies deposited into the Department of Personnel Revolving Fund created in Section 24-30-1108(1), C.R.S., as identified by Long Bill annotation.

(5) DIVISION OF FINANCE AND PROCUREMENT

(A) STATE CONTROLLER'S OFFICE & PROCUREMENT SERVICES

PERSONAL SERVICES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial operations of the State, including statewide financial reporting and policy and procedural guidance for financial administration and control for all State agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System (COFRS). The Office of the State Controller (OSC) maintains budgetary control for statewide finances, reviews and processes contracts for the State, issues warrants for the State, provides specialized accounting services to State agencies, manages statewide central payroll operations, and develops the annual statewide indirect cost allocation plans. A primary responsibility of the State Controller is to approve all State expenditures prior to the obligation being incurred. The Controller must determine that prices or rates paid for statutorily authorized expenditures are fair and reasonable. The State Controller also promulgates the Fiscal Rules, which govern financial transactions. In addition to the OSC, this Program includes Procurement Services, operationally known as the State Purchasing Office, which manages and oversees State procurement policy and processes as defined above. This line item and the associated appropriations of FTE and personal services funding support the State Controller's Office and Procurement Services staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$2,916,278, and increased per JBC approved base-building salary increases and base reductions in FY 2007-08 to \$2,961,203. The salary survey allocation for that year was \$87,392 and the performance-based pay allocation was \$31,913. Senate Bill 07-228 – Vendor Performance State Contracts increased the FY 2008-09 appropriation by

\$67,994, and a 1% OSPB reduction reduced the appropriation by \$30,805 to \$3,117,587 (JBC figure setting document for DPA, March 5, 2008, pg. 73). For FY 2008-09, the salary survey allocation \$147,334, and performance-based pay was \$42,336. Decision Item #4 for FY 2009-10 – Procurement Services Outreach, November 1, 2008, would increase the appropriation by \$136,787. The total requested appropriation for FY 2009-10 is \$3,443,535. This appropriation has historically been supported by General Fund, rebates received from the Procurement Card Program, and statewide indirect cost recoveries from the Department of Higher Education, as identified by Long Bill annotation.

OPERATING EXPENSES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial operations of the State, including statewide financial reporting and policy and procedural guidance for financial administration and control for all State agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System (COFRS). The Office of the State Controller (OSC) maintains budgetary control for statewide finances, reviews and processes contracts for the State, issues warrants for the State, provides specialized accounting services to State agencies, manages statewide central payroll operations, and develops the annual statewide indirect cost allocation plans. A primary responsibility of the State Controller is to approve all State expenditures prior to the obligation being incurred. The Controller must determine that prices or rates paid for statutorily authorized expenditures are fair and reasonable. The State Controller also promulgates the Fiscal Rules, which govern financial transactions. In addition to the OSC, this Program includes Procurement Services, operationally known as the State Purchasing Office, which manages and oversees State procurement policy and processes as defined above. This line item supports the operating expenses associated with the Office of the State Controller and Procurement Services.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$142,176. Senate Bill 07-228 – Vendor Performance State Contracts increased the appropriation by \$500, for a total FY 2008-09 appropriation of \$142,676 (JBC figure setting document for DPA, March 5, 2008, pg. 73). For FY 2009-10, \$838 is requested through NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008. Decision Item #4 – Procurement Services Outreach, November 1, 2008, is also requested in the amount of \$12,356, for a total requested appropriation of \$155,870 for FY 2009-10. This appropriation has historically been supported by General Fund.

(B) SUPPLIER DATABASE

PERSONAL SERVICES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This program supports the Bid Information and Distribution System (BIDS) that allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). The Department's centralized database is used to disseminate information about solicitations for goods and services that have to be competitively bid under the Colorado Procurement Code. The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.). This line item and the associated appropriations of FTE and personal services funding support the Supplier Database staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was for \$178,716, and was increased per JBC approved base-building salary increases in FY 2007-08 to \$182,337. The salary survey allocation for that year was \$6,060 and the performance-based pay allocation was \$2,187. The resulting total appropriation for FY 2008-09 was \$190,584, slightly lower than the requested \$191,037, pursuant to common policy (JBC figure setting document for DPA, March 5, 2008, pg. 74). For FY 2008-09, the salary survey allocation \$4,233, and performance-based pay was \$1,316. Senate Bill 08-155 – Centralize IT Management in OIT, did not reduce the FY 2008-09 appropriation, but did reduce the FTE allocation by 1.0 FTE. The total requested appropriation for FY 2009-10 is \$196,133. This appropriation has historically been supported by amounts from the Supplier Database Cash Fund created in Section 24-102-202.5(2)(a), C.R.S., as identified by Long Bill annotation.

OPERATING EXPENSES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This program supports the Bid Information and Distribution System (BIDS) that allows registered vendors to identify opportunities to conduct business with the State (Section 24-102-202.5 (2), C.R.S.). The Department's centralized database is used to disseminate information about solicitations for goods and services that have

to be competitively bid under the Colorado Procurement Code. The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.). This line item supports the operating expenses for the Supplier Database.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$43,382. Continuation funding was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 75). For FY 2009-10, continuation funding is again requested. This appropriation has historically been supported by amounts from the Supplier Database Cash Fund created in Section 24-102-202.5(2)(a), C.R.S., as identified by Long Bill annotation.

(C) COLLECTIONS SERVICES

PERSONAL SERVICES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. Central Collection Services (CCS) is statutorily responsible for providing debt collection services to State agencies and political sub-divisions through delegation by the Office of the State Controller. CCS provides this service at a fixed commission rate. CCS has a number of unique capabilities, including the state income tax and vendor intercept programs, access to wage and employment information through the Department of Labor and Employment, as well as access to Department of Revenue Motor Vehicle information, none of which are afforded to private collection companies. The Unit is also responsible for the distribution and management of State debts to awarded private collection companies and private collection counsel for the State. Statute requires the referral of debt to CCS at 30 days past due and debts are subsequently assigned to private collection companies at 120 days old if no repayment arrangements have been made with debtors. This partnership increases the opportunity for collection. This line item and the associated appropriations of FTE and personal services funding support the Collections Services staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$771,949. The FY 2007-08 appropriation for this line increased to \$874,777 including an increase of \$87,785 and 3.0 FTE associated with a FY 2007-08 Decision Item to add additional collector staff, as well as JBC approved base-building increases to salary. The salary survey allocation for that year was \$20,488 and the performance-based pay allocation was \$7,910. A 1% base reduction reduced the FY 2008-09 appropriation by \$3,031 resulting in a total appropriation of \$894,144, including a cost-neutral fund mix adjustment (JBC figure setting document for DPA, March 5, 2008, pg. 76). For FY 2008-09, the salary survey allocation is \$22,037, and performance-based pay was \$6,802. Decision Item #14 for FY 2009-10 – Central Collections Services Temporary Staffing Increases, November 1, 2008, would increase the appropriation by \$15,658. The total requested appropriation for FY 2009-10 is \$938,677. This appropriation has historically been supported by collection fees assessed to individuals and collection receipts previously booked as cash, as identified by Long Bill annotation.

OPERATING EXPENSES

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line has existed since the inception of Collections Services. This line item supports the operating expenses associated with Collections Services. The appropriation was at a continuation level of \$347,585 for several fiscal years, and the current Long Bill appropriation of \$358,100 has been augmented based upon a JBC approved increase of \$10,515 associated with the FY 2007-08 Decision Item referenced above. The FY 2008-09 request is materially at a continuation level, although it does incorporate a reduction of \$9,015 to reflect the out year impact of the referenced FY 2007-08 Decision Item – the resulting FY 2008-09 request as reflected in the Schedule 3 is for \$349,085 total funds.

The base appropriation for FY 2006-07 was \$347,585. The FY 2007-08 appropriation for this line increased to \$358,100, augmented based upon a JBC approved increase of \$10,515 associated with the FY 2007-08 Decision Item. The out year impact that FY 2007-08 Decision Item #4 – Collector Staff, November 1, 2006, reduced the FY 2008-09 appropriation by \$9,015 FY, resulting in a total appropriation of \$349,085 (JBC figure setting document for DPA, March 5, 2008, pg. 76). For FY 2009-10, continuation funding is requested. This appropriation has historically been supported by collection fees assessed to individuals and collection receipts previously booked as cash, as identified by Long Bill annotation.

COLLECTION OF DEBTS DUE TO THE STATE OF COLORADO

.This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line item supports a program that collects taxes and fees from individuals who owe moneys to the State. This funding is transferred to the Department of Revenue to offset tax debt.

The base appropriation for FY 2006-07 and FY 2007-08 for this line was \$20,702. Continuation funding was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 76). For FY 2009-10, continuation funding is requested. This appropriation has historically been supported by collection fees assessed to individuals and collection receipts previously booked as cash, as identified by Long Bill annotation.

PRIVATE COLLECTION AGENCY FEES

This line item was added to the Department's budget through the FY 2005-06 supplemental process. The Department had requested this be done in order to reflect more accurately the payment of private collection agency fees and out of pocket legal expenses incurred in the collection of debts owed to the State.

The initial FY 2005-06 appropriation as a result of the above referenced Supplemental Request was for \$875,000, which was continued for FY 2006-07. For FY 2007-08, the appropriation was increased by \$325,000 as a result of a JBC approved Decision Item to \$1,200,000. The incremental increases were for spending authority only and again explicitly denoted the payment of private collection agency fees and out-of-pocket legal expenses incurred in the collection of debts owed to the State. This issue did not require new State moneys because private collection entities and the contracted law firm already remitted gross debtor collections to CCS, and CCS remitted fees back to these entities. Continuation funding was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, pg. 76). For FY 2009-10, continuation funding is requested. This appropriation has historically been supported by collection fees assessed to individuals and collection receipts previously booked as cash, as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This line supports the Indirect Cost Assessment for Central Collections Services. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs

are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The FY 2006-07 assessment was \$172,089, and the FY 2007-08 indirect cost assessment for Collections Services was \$208,569, increased per common policy. The appropriation was increased for FY 2008-09 to \$260,606, consistent with statewide indirect cost recovery plan (JBC figure setting document for DPA, March 5, 2008, pg. 76). For FY 2009-10, an appropriation of \$172,066 is requested. This appropriation has historically been supported by collection fees assessed to individuals and collection receipts previously booked as cash, as identified by Long Bill annotation.

(D) REAL ESTATE SERVICES PROGRAMS

COORDINATION OF CAPITAL CONSTRUCTION, CONTROLLED MAINTENANCE REQUESTS, & BUILDING LEASE REVIEW

This Line Item Originates From the Following Source(s):

This Division was created in the 2000 Long Bill (H.B. 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. This unit is operationally referred to internally as the Office of the State Architect. The Office of the State Architect (SAO) integrates statutory oversight responsibilities with comprehensive design, construction and real estate expertise in order to provide assistance and training to State agencies and institutions relating to State owned and leased assets. Specific responsibilities include:

- Establishing policies and procedures and providing oversight associated with the State's capital construction process (including controlled maintenance and Energy Management) for each State agency and institution of higher education. This process includes solicitation and procurement of professional design and construction services; establishing standard contract language; establishing project management guidelines including cost management; establishing the minimum building codes and compliance requirements; and administering the controlled maintenance program by establishing a statewide system to annually measure and report to the Capital Development Committee (CDC) the condition of State owned facilities and recommending the statewide prioritized list of controlled maintenance projects.
- Providing comprehensive project administration services to those State agencies and institutions of higher education that do not have technical staff experienced in project design and construction management.

- Establishing policies and procedures and providing oversight for State leases and other real estate contracts for each State agency and institution of higher education. This process includes: statutory approval of all leases, coordination with the State's contracted real estate brokers, maintaining and annually reporting to the CDC on the inventory of State property (including all improvements), developing performance criteria and real property management strategies, and development and administration of office space standards for leased space.

This line item supports both the personal services and operating needs of the Office of the State Architect, and the programs and functions identified above.

The base appropriation for FY 2006-07 was \$505,504, and increased per JBC approved base-building salary increases in FY 2007-08 to \$514,170. The salary survey allocation for that year was \$14,278 and the performance-based pay allocation was \$4,720. The total approved appropriation for FY 2008-09 was \$533,168 (JBC figure setting document for DPA, March 5, 2008, pg. 77). For FY 2008-09, the salary survey allocation is \$18,001, and performance-based pay was \$6,302. The total requested appropriation for FY 2009-10 is \$557,471. This appropriation has historically been supported by the General Fund.

(7) ADMINISTRATIVE COURTS

PERSONAL SERVICES

The Colorado Office of Administrative Courts (OAC) was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The OAC is one of 24 central panels of independent Administrative Law Judges in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities. The OAC conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/AFDC, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, teachers, engineers, etc.); and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act.

This line item and the associated appropriations of FTE and personal services funding support the Administrative Courts staff and management functions. Personal services includes all salaries and wages, including salary survey and performance based pay, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees; professional services, including, but not limited to, accounting, consulting, architectural, engineering,

physician, nurse, specialized computer, and construction management services; and temporary services, including clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State.

The base appropriation for FY 2006-07 was \$2,945,676, and increased per JBC approved base-building salary increases in FY 2007-08 to \$3,008,208. The salary survey allocation for that year was \$84,304 and the performance-based pay allocation was \$7,910. A 1% base reduction reduced the FY 2008-09 appropriation by \$32,021, and SB 07-210 – Independent Ethics Commission increased the appropriation by \$80,856 and 1.8 FTE, resulting in a total appropriation of \$3,170,099, including a cost-neutral fund mix adjustment (JBC figure setting document for DPA, March 5, 2008, pp. 90-91). For FY 2008-09, the salary survey allocation is \$104,211, and performance-based pay was \$30,637. Decision Item #6 for FY 2009-10 – Office of Administrative Courts Staffing Adjustment, November 1, 2008, would increase the appropriation by \$174,189. The total requested appropriation for FY 2009-10 is \$3,479,136. This appropriation has historically been supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.

OPERATING EXPENSES

The Colorado Office of Administrative Courts (OAC) was statutorily created in 1976 to provide an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The OAC is one of 24 central panels of independent Administrative Law Judges (ALJ's) in the United States, and provides administrative law hearings to over 50 State agencies, counties and other entities.

The OAC conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/AFDC, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, teachers, engineers, etc.); and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act.

This line item supports the operating expenses associated with the Office of Administrative Courts.

The appropriation was \$137,042 in the FY 2006-07 Long Bill. For FY 2007-08, the appropriation was increased by \$14,325 based upon a JBC approved Decision Item for that fiscal year associated with maintenance and support of the Legal Files case management system previously implemented in FY 2004-05, resulting in an appropriation of \$151,367. For FY 2008-09, Decision Item #5 – Legal Files Maintenance, November 1, 2008, increased the appropriation by \$718. Senate Bill 07-258 also increased the appropriation by

\$3,502, and SB 07-210 – Independent Ethics Commission increased the appropriation by \$11,144. The total appropriation for FY 2008-09 is \$166,731 (JBC figure setting document for DPA, March 5, 2008, pg. 92). For FY 2009-10, two decision items are requested: NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008, would increase the appropriation by \$1,221, and Decision Item #6 - Office of Administrative Courts Staffing Adjustment, November 1, 2008, would increase the appropriation by \$12,356. For FY 2009-10, the total requested appropriation is \$180,308. This appropriation has historically been supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The line supports the Indirect Cost Assessment for the Office of Administrative Courts. Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

The base appropriation for FY 2006-07 was \$137,042, and was increased per common policy in FY 2007-08 to \$215,330. The appropriation was increased for FY 2008-09 to \$239,271, consistent with statewide indirect cost recovery plan (JBC figure setting document for DPA, March 5, 2008, pg. 92). For FY 2009-10, an appropriation of \$341,313 is requested. This appropriation has historically been supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.