

**DEPARTMENT OF PERSONNEL
&
ADMINISTRATION**



DPA

FY 2011-12 LINE ITEM DESCRIPTION

NOVEMBER 1, 2010

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(1) EXECUTIVE DIRECTOR'S OFFICE**(A) DEPARTMENT ADMINISTRATION****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, communications and legislative relations. This line item also supports the state Ombuds Program which was established in May 2007 as a neutral, impartial, and confidential source for employees to receive information and advice regarding work-related situations, their options within the system rules, and advice for resolution of these issues. 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 FY 2008-09 appropriation for this line was \$1,707,188 and 21.5 FTE. The salary survey allocation for FY 2008-09 was \$87,288, and the performance-based pay allocation is \$25,407. A one-time supplemental reduction of \$43,772 was applied in FY 2008-09 to capture savings from two positions vacant for a portion of the year. The total Long Bill appropriation for this line for FY 2009-10 was \$1,787,604, which represents a 1.8 percent reduction to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists). The supplemental bill for FY 2009-10 (HB 10-1310) reduced the appropriation by \$32,620 for S-NP: Statewide Furlough Impact, increased the appropriation by \$85,748 for S-NP: Statewide ARRA Administrative Cost Spending Authority, and reduced \$53,359 and 0.5 FTE for the August 24, 2009 Budget Reduction supplemental to eliminate the Government and Public Relations Director position. The final line item appropriation for FY 2009-10 was \$1,787,762. For FY 2010-11, the Long Bill appropriation was \$1,674,443 reappropriated funds and 19.5 FTE was appropriated (JBC figure setting document for DPA, March 9, 2010, p. 35). The adjustment includes annualization of the following: S-NP: Statewide Furlough Impact in the amount of \$32,236, S-NP: Statewide ARRA Administrative Cost Spending Authority, a reduction of \$85,753, and August 24, 2009 Budget Reduction to eliminate the Government and Public Relations Director position in this line item: \$32,028 and 0.3 restored from FY 2009-10, and the full annual reduction of \$96,084, and 1.0 FTE for FY 2010-11. Additionally, an

adjustment from the FY 2009-10 approximate 1.8 percent Personal Services cut was restored in the amount of \$32,279 reappropriated funds. Decision Item #1: FTE Reallocation was approved, resulting in a reduction of 1.0 FTE (transferred to the Office of the State Controller). Budget Amendment-NP: Statewide PERA Adjustment was also approved, resulting in a reduction of \$49,356. A reduction of \$33,220 was taken from this line item, due to HB 10-1404, because the special bill de-appropriated funding from the Independent Ethics Commission Personal Services in an amount that was in excess of what was available in that line item. FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$16,410 (one-time). The FY 2010-11 total appropriation was \$1,624,813. The FY 2011-12 November 1 Request is \$1,611,731 which includes annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment in the amount of \$49,356, a reduction of \$33,812 due to FY 2011-12 DI-NP 5: 2% Across the Board Personal Services Reduction, and a reduction of \$45,036 due to FY 2011-12 DI-NP 7: Statewide PERA Adjustment. This appropriation is supported by statewide indirect cost recoveries annually per Long Bill annotation.

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.

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, p. 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 total requested and appropriated Long Bill amount for this line for FY 2009-10 was \$2,124,061 (JBC figure setting document for DPA, March 11, 2009, p. 30). For FY 2010-11, the Long Bill appropriation was \$2,046,396 which included a baseline adjustment as well as an offset with Kaiser credit dollars (JBC figure setting document for DPA Common Policies, March 18, 2010, pp. 19-20). A reduction of \$4,651 was taken from this line item, due to HB 10-1404. The FY 2011-12 November 1 Request is \$2,107,935, after a FY 2011-12 Common Policy Baseline Adjustment of \$80,795, and a reduction of \$14,605 due to FY 2011-12 NP-6: Pro-Rated Benefits. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections 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.

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 a \$372 reduction. JBC staff recommended and the committee approved an amount of \$878 (JBC figure setting document for DPA, March 5, 2008, p. 24). Senate Bill 08-155 – Centralize IT Management in OIT, reduced the appropriation by \$15,022. The resulting total FY 2008-09 appropriation for this line was \$28,704. For FY 2009-10, the total Long Bill appropriation for this line was \$30,885 (JBC figure setting document for DPA, March 11, 2009, p. 30). Several August 24, 2009 budget reduction supplementals (layoffs) that affected this line item were approved at an amount higher than requested, resulting in a reduction of \$486 in FY 2009-10. Additionally, the appropriation was further reduced by \$975 for S-NP: Statewide Furlough Impact. The final appropriation for FY 2009-10 was \$29,424. For FY 2010-11, the Long Bill appropriation for FY 2010-11 was \$30,464 (JBC figure setting document for DPA, March 9, 2010, p. 37). The FY 2011-12 November 1 Request is \$34,457, after a FY 2011-12 Common Policy Baseline Adjustment of \$3,993. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, 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 percent over the next four years.

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 a \$9,109 reduction. JBC staff recommended and the committee approved an amount of \$5,335 (JBC figure setting document for DPA, March 5, 2008, p. 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 total Long Bill appropriation for this line for FY 2009-10 was \$416,106 (based on a comeback submitted to correct for a JBC staff omission of salary survey in the calculations). Please see JBC figure setting document for DPA, March 11, 2009, pp. 30-31 and OSPB FY 2009-10 Figure Setting Comebacks, March 19, 2009, pp. 18-21. For FY 2009-10, several August 24, 2009 budget reduction supplementals relating to layoffs that affected this line item were approved (and pro-rated to amounts greater than requested), resulting in a reduction of \$6,642. Supplemental-NP: Statewide Furlough Impact further reduced the appropriation by \$12,594. The resulting final appropriation for FY 2009-10 was \$396,870. For FY 2010-11, a Common Policy baseline adjustment was applied in addition to several annualizations from the August 24, 2009 Budget Reduction proposals (JBC figure setting document for DPA, March 9, 2010, p. 37). The total Long Bill appropriation for FY 2010-11 was \$471,705. A reduction of \$3,888 was taken from this line item, due to HB 10-1404. The FY 2011-12 November 1 Request is \$545,080, after a FY 2011-12 Common Policy Baseline Adjustment of \$77,263. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, per Long Bill annotation.

SB 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

This line was first created in SB 06-235, in which the Supplemental Amortization Equalization Disbursement (SAED) was formed. The rate increases by 0.5 percent 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. 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 a \$3,410 reduction. JBC staff recommended and the committee approved an amount of \$80,175 (JBC figure setting document for DPA, March 5, 2008, p. 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 Long Bill appropriation for this line for FY 2009-10 was \$258,830 (based on a comeback submitted to correct for a JBC staff omission of salary survey in the calculations). Please see JBC figure setting document for DPA, March 11, 2009, p. 31 and OSPB FY 2009-10 Figure Setting Comebacks, March 19, 2009, pp. 18-21. For FY 2009-10, several August 24, 2009 budget reduction supplementals that affected this line item were approved (and pro-rated to amounts greater than requested), resulting in a reduction of \$4,112. S-NP: Statewide Furlough Impact further reduced the appropriation by \$7,871. The resulting final appropriation for FY 2009-10 was \$246,847. For FY 2010-11, a Common Policy baseline adjustment was applied, in addition to several annualizations from the August 24, 2009 Budget Reduction proposals (JBC figure setting document for DPA, March 9, 2010, p. 37). The total Long Bill appropriation for FY 2010-11 is \$348,952. A reduction of \$2,835 was taken from this line item, due to HB 10-1404. The FY 2011-12 November 1 Request is \$438,010, after a FY 2011-12 Common Policy Baseline Adjustment of \$91,893. This

appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, and fees from user agencies, 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. Occasionally, funding for this line item is not appropriated due to statewide revenue limits.

For FY 2008-09, the annualization of the prior year's SS/SES appropriation to the base was \$178,128, for a total of \$1,191,312. A non-prioritized budget amendment (NP #6 – December Update for Total Compensation, January 23, 2008) was submitted in the amount of a \$70,845 reduction. 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 percent SAED amount (resulting in a difference of \$670 less). 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. The total appropriation for this line for FY 2009-10 was \$0 (JBC figure setting document for DPA, March 11, 2009, p. 31). For FY 2010-11, funding was again not appropriated due to statewide revenue limits (JBC figure setting document for DPA, March 9, 2010, p. 37). The FY 2011-12 November 1 Request is \$0. 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. Occasionally, funding for this line item is not appropriated due to statewide revenue limits.

For FY 2008-09, the annualization of the prior year’s performance-based pay appropriation to the base was an additional \$54,603, for a total of \$506,697. 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 a \$4,379 reduction. The committee approved a different fund split than that which was requested (JBC figure setting document for DPA, March 5, 2008, p. 26). Senate 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. The total request and appropriation for this line for FY 2009-10 was \$0 (JBC figure setting document for DPA, March 11, 2009, p. 31). For FY 2010-11, funding was again not appropriated due to statewide revenue limits (JBC figure setting document for DPA, March 9, 2010, p. 38). The FY 2011-12 November 1 Request 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 percent of the level of prior year actual expenditures for this function, which has historically been approved by JBC action at the same level.

For FY 2008-09, Senate Bill 08-155 – Centralize IT Management in OIT, reduced the base appropriation by \$44,120 for a resulting appropriation for this line item of \$39,126. The total appropriation for this line in FY 2009-10 is \$37,736 (JBC figure setting document for DPA, March 11, 2009, p. 32). For FY 2010-11, a decrease of \$7,136 was applied by the Joint Budget Committee, for a

total Long Bill appropriation of \$30,600 (JBC figure setting document for DPA, March 9, 2010, p. 38). The FY 2011-12 November 1 Request is \$41,710, after a FY 2011-12 Common Policy Baseline Adjustment of \$11,110. This appropriation is supported by funds from the Department of Personnel Revolving Fund (fees from user agencies) per Long Bill annotation.

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.

In FY 2008-09, a statewide budget amendment (SWBA #4 – Risk Management Services Funding Adjustments, December 21, 2007) was submitted, which adjusted the 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, p. 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 appropriation for this line for FY 2009-10 was a greater amount than requested, totaling \$309,106, based on the addition of contingency spending authority (JBC figure setting document for Common Policies, March 17, 2009, p. 9, and JBC Staff Comeback Memo on FY 2009-10 Risk Management and Worker's Compensation Management Funds, March 18, 2009). Approval of two August 24, 2009 Budget Reduction proposals: 1) Reduction of Workers Compensation Volatility, a \$12,883 reduction, and 2) Worker's Compensation Contract Review, a \$4,388 reduction, brought the FY 2009-10 appropriation to \$291,835. For FY 2010-11, a Common Policy baseline adjustment/increase of \$4,216 was applied by the Joint Budget Committee for a total Long Bill appropriation of \$296,051 (JBC figure setting document for DPA Common Policies, March 18, 2010, p. 9). The FY 2011-12 November 1 Request is \$263,426, after a FY 2011-12 Common Policy Baseline Adjustment (reduction) of \$32,625. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections 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 FY 2008-09 appropriation for this line was continuation funding in the amount of \$99,842 (JBC figure setting document for DPA, March 5, 2008, p. 27). A statewide common policy decision item was requested and approved in the amount of \$7,770 (NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008). The total Long Bill appropriation for this line for FY 2009-10 was \$107,612. S-NP: Statewide American Recovery and Reinvestment Act Administrative Cost Spending Authority increased the appropriation by \$29,738. S-2: Mail Equipment Upgrade reduced the appropriation by \$8,112. The final FY 2009-10 appropriation was \$129,238. For FY 2010-11, annualization of FY 2009-10 S-2: Mail Equipment Upgrade increased the appropriation by \$981, and annualization of S-NP: Statewide American Recovery and Reinvestment Act Administrative Cost Spending Authority reduced the appropriation by \$29,738. Budget Amendment-3: 5.0 percent Statewide Operating Reduction further reduced the appropriation by \$5,041, for a resulting FY 2010-11 Long Bill appropriation of \$95,440 (JBC figure setting document for DPA, March 9, 2010, p. 38). The FY 2011-12 November 1 Request is \$95,512, after a \$72 increase due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by indirect cost recoveries and statewide indirect cost recoveries, per Long Bill annotation.

LEGAL SERVICES FOR 3,021 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 Offices, 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.

For FY 2008-09, the JBC approved continuation funding of \$247,207 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, p. 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. A supplemental request to increase the appropriation to \$359,322 for additional hours was approved (3,351 continuation hours, 594 hours for the IEC, and an additional 840 hours for the IEC through a FY 2008-09 emergency supplemental – Independent Ethics Commission True-up, September 2009/JBC document: Interim Supplemental Request for FY 2008-09: Department of Personnel and Administration, pp. 5-9). The total Long Bill appropriation for this line for FY 2009-10

was \$227,723, which represented a decrease due to JBC action to split out Legal Services for the State Personnel Board and the Independent Ethics Commission from this departmental total, and into new lines (JBC figure setting document for DPA, March 11, 2009, p. 32). For FY 2010-11, \$221,651 was appropriated in the Long Bill. An additional \$2,000 was appropriation through HB 10-1176. The FY 2011-12 November 1 Request is \$223,651. This appropriation is 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.

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, p. 28). For FY 2009-10, a statewide common policy decision item was requested in the amount of \$247 (NP Statewide Common Policy – Ombuds Program, November 1, 2008). The total appropriation for this line for FY 2009-10 was \$6,191 (JBC figure setting document for FY 2009-10 DPA Common Policies, March 17, 2009, p. 11). For FY 2010-11, a Common Policy baseline adjustment/decrease of \$965 was applied by the Joint Budget Committee, resulting in a total Long Bill appropriation of \$5,226 (JBC figure setting document for DPA Common Policies, March 18, 2010, p. 10). The FY 2011-12 November 1 Request is \$3,325, after a FY 2011-12 Common Policy Baseline Adjustment (reduction) of \$1,901. This appropriation is 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.

For FY 2008-09, the Department requested a common policies adjustment to the base 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, p. 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 Long Bill appropriation for this line for FY 2009-10 was continuation funding (JBC figure setting document for DPA, March 11, 2009, p. 33), however an August 24, 2009 budget reduction supplemental of \$152,707 revised the appropriation to \$2,141,646. For FY 2010-11, \$3,994,344 is requested as the base, which includes an increase of \$1,852,698 over the FY 2009-10 supplemental total appropriation. An OIT decision item (OIT Statewide Information Technology Staff Consolidation) for \$713,085 increased the total request to \$4,707,429, however the final FY 2010-11 Long Bill appropriation was \$4,705,444. The FY 2011-12 November 1 Request is \$3,073,737 after a base adjustment (reduction) of \$1,631,707. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, user fees, and indirect cost recoveries per Long Bill annotation.

MULTIUSE NETWORK PAYMENTS

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.

For FY 2008-09, the following change requests were submitted: 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, p. 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 appropriation for this line for

FY 2009-10 was continuation funding. The Long Bill appropriation for FY 2010-11 is \$160,722, which includes an increase of \$93,175 due to a Common Policy baseline adjustment for this line item. The FY 2011-12 November 1 Request is \$177,220 after a baseline adjustment of \$16,498. This appropriation is supported by fees from user agencies per Long Bill annotation.

MANAGEMENT AND ADMINISTRATION OF OIT

This Common Policy appropriation was established through the FY 2008-09 supplemental process. The line item funds the internal office operations and support for the Governor's Office of Information Technology (OIT). Senate Bill 08-155 provided for the management component and associated billings. The administration component reflects the refinance of the previously state General funded OIT Administration unit before the function was transferred to OIT.

The FY 2008-09 supplemental appropriation for this line item was \$57,291. For FY 2009-10, it increased to \$60,127 (JBC figure setting document for DPA, March 11, 2009, p. 33). An August 24, 2009 budget reduction supplemental reduced the appropriation to \$51,603. For FY 2010-11, the Long Bill appropriation is \$90,717, which includes an increase due to a Common Policy baseline adjustment for this line item, and restoration of the August 24th supplemental reduction from FY 2009-10. The FY 2011-12 November 1 Request is \$92,618 after a baseline adjustment of \$1,901. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund and user fees.

PAYMENT 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.

For FY 2008-09, 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 over the base \$560,892 (JBC figure setting document for DPA, March 5, 2008, p. 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 appropriation for this line for FY 2009-10 is \$569,539 (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 9, and JBC figure setting

document for DPA, March 11, 2009, p. 33). An August 24, 2009 Budget Reduction supplemental proposal to reduce Workers' Compensation Volatility reduced the FY 2009-10 appropriation by \$44,197. For FY 2010-11, a Common Policy baseline adjustment (reduction) of \$480,545 was requested, for a total appropriation of \$44,797. In working with the Department to revise projections/need during the figure setting process, JBC staff calculated and the committee approved a further increase \$114,972, to \$159,769 for FY 2010-11 (JBC figure setting document for DPA Common Policies, March 18, 2010, p. 9). The FY 2011-12 November 1 Request is \$655,206, after a FY 2011-12 Common Policy Baseline Adjustment of \$495,437. This appropriation is supported by the General Fund, the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund and user fees.

VEHICLE LEASE PAYMENTS

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 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.

For FY 2008-09, 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, p. 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 appropriation for this line for FY 2009-10 was \$66,468 based on JBC staff calculations for this common policy (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 16). The supplemental, S-NP: “Annual Fleet Vehicle Replacement Technical True-up” in the amount of \$20,144 increased the FY 2009-10 appropriation to \$86,612. For FY 2010-11, DI-3: “Annual Fleet Vehicle Replacements” for \$33,461 was approved, as well as BA-NP: “Annual Fleet Vehicle Replacement True-Up” for a reduction of \$604, resulting in a total FY 2010-11 Long Bill appropriation of \$99,325 (JBC figure setting document for DPA Common Policies, March 18, 2010, p. 15). The FY 2011-12 November 1 Request is \$115,125 after an increase of \$15,800 due to FY 2011-12 DI-NP 10: Annual Fleet Vehicle Replacement. This appropriation is supported by 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.

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 percent inflationary factor of \$62,422, rather than the 6.2 percent 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 percent 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 appropriation was reduced to \$1,279,762, to partially fund the newly created "Management and Administration of OIT" line item. The total appropriation for this line for FY 2009-10 is \$1,270,593. This includes an annualization of the FY 2008-09 supplemental (JBC figure setting document for DPA, March 11, 2009, p. 34). For FY 2010-11, continuation funding was appropriated. The FY 2011-12 November 1 Request is \$1,270,593. This appropriation is supported by the Group Benefit Plans Reserve Fund, the Supplier Database Cash Fund, the Debt Collections Fund, fees from user agencies, and indirect cost recoveries, 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.

For FY 2008-09, a decrease of \$7,163 from the prior year's \$1,195,160 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 appropriation for this line for FY 2009-10 was \$889,810, pursuant to common policy (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 9). An August 24, 2009 Budget Reduction – Capitol Complex Building Maintenance reduced the appropriation to \$875,108 on an ongoing basis. For FY 2010-11, an increase of \$119,017 was requested and approved as a result of a Common Policy baseline adjustment for this line, for a total of \$994,125 (JBC

figure setting document for DPA Common Policies, March 18, 2010, p. 17). The FY 2011-12 November 1 Request is \$884,519, after a FY 2011-12 Common Policy Baseline Adjustment (reduction) of \$109,606. This appropriation is supported by fees from user agencies and indirect cost recoveries, per Long Bill annotation.

COMMUNICATIONS SERVICES PAYMENTS

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.

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, p. 32). The resulting FY 2008-09 appropriation for this line was \$877. The total appropriation for this line for FY 2009-10 was continuation funding in the same amount. The FY 2010-11 Long Bill appropriation is \$832, which includes a decrease of \$55 due to a Common Policy baseline adjustment for this line item. The FY 2011-12 November 1 Request is \$848 after a FY 2011-12 Common Policy Baseline Adjustment of \$16. This appropriation is supported by the General Fund.

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 - SECURITY 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 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 was approved for annualization of the HIPAA Bi-Annual Risk Assessment. The total Long Bill appropriation for this line for FY 2009-10 was \$202,769 (JBC figure setting document for DPA, March 11, 2009, p. 37), however an August 24, 2009 supplemental reduction was approved (at a pro-rated amount greater than requested) to reduce the appropriation to \$153,488 and 0.4 FTE by eliminating the HIPAA compliance position associated with the line. For FY 2010-11, the Long Bill appropriation was \$0, and the line item was removed. This includes annualization of the elimination of the 1.0 FTE, as well as a reduction of \$103,008 for an OIT decision item (OIT Statewide Information Technology Staff Consolidation), another reduction of \$2,575 for BA-NP: Statewide PERA Reduction, which left \$19,270 in the Department's request. The JBC eliminated the remaining appropriation after confirmation with the Department that all HIPAA-related functions could be absorbed elsewhere in the Department (JBC figure setting document for DPA, March 10, 2010, p. 43). This appropriation had 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.

(B) STATEWIDE SPECIAL PURPOSE

(1) COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM

PERSONAL SERVICES

C.R.S. 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. House Bill 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 Executive Director's Office. C-SEAP functions include administration of the State Employees Mediation Program (SEMP) to provide a collaborative, non-adversarial method of resolving workplace disputes; the Managerial Emotional Intelligence Program to increase employee retention and enhance vital relationships at work; and the Drug-Free Workplace Program to guide training/policy development and assure statewide compliance with the Drug-Free Workplace Act. C-SEAP is also responsible for the overall coordination of the State Psychological Fitness for Duty evaluation process when an employee poses a direct threat to themselves, to other employees, to the State, and/or to the public. C-SEAP offers counseling/coaching to all State employees regarding workplace issues such as absenteeism, performance concerns, conflict, sexual harassment, perceptions of bullying and retaliation, substance abuse, violence in the workplace, and domestic violence affecting the workplace, as well as any emotional, mental, or personal problem which may be affecting an employee's ability to perform at work. In addition, the program provides consultation to departmental supervisors, managers, and HR/RM professionals to address these workplace issues; workshops on topics like anger

education and conflict resolution; on-site facilitated groups and other organizational assistance; and workplace crisis response. The State Employees Mediation Program (SEMP) is administered through C-SEAP to provide a collaborative, non-adversarial method of resolving workplace disputes. 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.

For FY 2008-09, the Department submitted a request for a decision item for \$316,724 and 5.5 FTE for the C-SEAP Personal Services line item. 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), but not approved by the Joint Budget Committee. The Long Bill appropriation for this line for FY 2009-10 was \$631,347. Decision Item #13 – FY 2009-10 Long Bill Realignment was approved, transferring all C-SEAP related line items from the Division of Human Resources to the Executive Director's Office (JBC figure setting document for DPA, March 11, 2009, pp. 38-39). The supplemental bill for FY 2009-10 (HB 10-1310) reduced the appropriation by \$17,116 for S-NP: Statewide Furlough Impact. For FY 2010-11, \$617,440 reappropriated funds and 10.0 FTE was appropriated (JBC figure setting document for DPA, March 9, 2010, p. 43). The adjustment includes annualization of the following: S-NP: Statewide Furlough Impact (restored), as well as a reduction of \$13,907 for BA-NP: Statewide PERA Adjustment. Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$13,907, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduced the appropriation by 412,462, for a total FY 2011-12 November 1 Request of \$618,885. This appropriation is 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 interest derived from said funds, per Long Bill annotation.

OPERATING EXPENSES

C.R.S. 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. House Bill 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 and Ombuds Programs, including supplies for staff and travel expenses.

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 appropriation of \$71,828 (JBC figure setting document for DPA, March 5, 2008, p. 45). For FY 2009-10, annualization of the FY 2008-09 C-SEAP Program funding decision item was requested in the amount of a \$19,003 reduction. 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, increased the appropriation by \$151. Another decision item in the amount of \$6,351 for the Ombuds Program (DI #7 – Ombuds Program Base Increase, November 1, 2008), was not approved. The total appropriation approved for FY 2009-10 is \$52,976 (JBC figure setting document for DPA, March 11, 2009, p. 39). Decision Item #13 – FY 2009-10 Long Bill Realignment was approved, transferring all C-SEAP related line items from the Division of Human Resources to the Executive Director’s Office (JBC figure setting document for DPA, March 11, 2009, pp. 38-39). For FY 2010-11, annualization of the FY 2009-10 Mail and Postage Increase, reduced the appropriation by \$151, resulting in a base increase of \$52,825. Additionally, an increase of \$19 was approved for BA – NP: Mail Equipment Upgrade. The resulting FY 2010-11 Long Bill appropriation was \$52,844. The FY 2011-12 November 1 Request is \$52,881 after an increase of \$37 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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 interest derived from said funds, per Long Bill annotation.

INDIRECT COST ASSESSMENT

C.R.S. 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. House Bill 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.

For FY 2008-09, the JBC approved an indirect cost assessment adjustment of \$98,507 (JBC figure setting document for DPA, March 5, 2008, p. 45). The resulting appropriation for FY 2008-09 was \$162,295, as identified in the FY 2007-08 Statewide Indirect Cost Plan. For FY 2009-10, an adjustment of \$49,479 was approved, resulting in a total appropriation for FY 2009-10 of \$112,816 (JBC figure setting document for DPA, March 11, 2009, p. 40). Decision Item #13 – FY 2009-10 Long Bill Realignment was approved, transferring all C-SEAP related line items from the Division of Human Resources to the Executive Director’s Office (JBC figure setting document for DPA, March 11, 2009, pp. 38-39). For FY 2010-11, the Department requests and received an appropriation of \$83,237, as identified in the FY 2009-10 Statewide Indirect Cost Plan. The November 1 Request for FY 2011-12 is \$106,194 after an

incremental base adjustment of \$22,957. This appropriation is 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 interest derived from said funds, per Long Bill annotation.

(2) OFFICE OF THE STATE ARCHITECT

This Office previously resided in the Division of Finance and Procurement which 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. For the 2009-10 Long Bill, Decision Item #13 – FY 2009-10 Long Bill Realignment was approved, resulting in the transfer of the Office of the State Architect (previously named the Real Estate Services Program) from the Accounts and Control Division to the Executive Director's Office (JBC figure setting document for DPA, March 11, 2009, p. 40). The Office of the State Architect (OSA) 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 total approved appropriation for FY 2008-09 was \$533,168 (JBC figure setting document for DPA, March 5, 2008, p. 77). For FY 2008-09, the salary survey allocation is \$18,001, and performance-based pay was \$6,302. A supplemental reduction of \$16,034 was approved, resulting in a final FY 2008-09 appropriation of \$517,134. The total Long Bill appropriation for FY 2009-10 was \$518,728 and included a budget amendment which annualized the FY 2008-09 supplemental budget reduction at \$22,709 (BA 1- OSA Operating Reduction, January 16, 2009; JBC figure setting document for DPA, March 11, 2009, pp. 39-40). An August 24, 2009 Budget Reduction supplemental to eliminate OSA Contractor Registration was approved, reducing the appropriation by \$11,157 and 0.3 FTE. Additionally, a reduction of \$19,316 for S – NP: Statewide Furlough Impact was taken. The final FY 2009-10 appropriation was \$488,255. For FY 2010-11, the Long Bill appropriation was \$459,243 and 5.0 FTE. This included annualization of the August 24, 2009 Budget Reduction proposal to eliminate OSA Contractor Registration, resulting in a reduction of \$44,628 and 1.0 FTE, as well as annualization of S – NP: Statewide Furlough Impact (restoration) in the amount of \$19,316. BA – NP: Statewide PERA Adjustment, resulting in a reduction of \$14,857. FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$4,431 (one-time), for a final FY 2010-11 appropriation of \$438,635. Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$14,857, FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents decreases the request by \$19, and FY 2011-12 DI-NP 5: 2% Across the Board Personal Services Reduction reduces the request by \$9,158 for a total FY 2011-12 November 1 Request of \$452,554. This appropriation is supported by the General Fund.

(3) COLORADO STATE ARCHIVES

PERSONAL SERVICES

This line originally existed prior to FY 2009-10 in the Long Bill section: Division of Information Technology. Senate Bill 08-155 (IT Consolidation) transferred the division to the Governor's Office of Information Technology, leaving only the Information and Archival Services program in DPA.

This line item and the associated appropriations of Full Time Equivalent (FTE) and personal services funding support the Information and Archival Services staff and management functions. 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.

C.R.S. 24-80-101 through 109 provides the statutory authorization for the Program. Information and Archival Services plans, manages, operates and implements the State's archival and records management program to protect, preserve and maintain the legal documents for Colorado territorial and State government. This unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts as regards preservation and management of records. These records are a valuable business asset to the State, and are recorded in a variety of forms from paper to electronic formats. The unit also provides citizen and agency access to the records in its custody for legal and research purposes. This unit is funded by General Fund, Cash Funds from user fees from non-State agencies, and Reappropriated Funds from user fees from State agencies.

Information and Archival Services is also responsible for managing and operating the State's home page content on the Internet. Colorado's State website offers many resources, such as a site limited and global search engine, site hosting for many State agencies, and support for web-based applications. The State website has been re-structured as a gateway, or a portal, to State government, local government, community, and regional information. The Information and Archival Services unit reports to the Executive Director's Office.

In FY 2008-09, the appropriation for this line item increased to \$508,124, then was reduced to \$485,461 through a negative budget reduction supplemental (S-12, Archives Personal Services Reduction – Full-time to Part-time, January 15, 2009). For FY 2009-10, funding for the Archives Personal Services Reduction budget reduction supplemental was restored, and annualization of FY 2008-09 increased the Long Bill appropriation to \$538,085. Decision Item #13 – Long Bill Realignment was also approved, and transferred the program to the Executive Director's Office (JBC figure setting document for DPA, March 11, 2009, p. 42). S – NP: Statewide Furlough Impact reduced the appropriation by \$16,388, for a final FY 2009-10 appropriation of \$521,697. For FY 2010-11, the furlough impact was restored. DI – 1: FTE Reallocation reduced the FTE count by 0.5 FTE (transferred to the Office of the State Controller). House Bill 10-1181 refinanced \$6,802 from General Fund to Cash Funds. Finally, BA – NP: Statewide PERA Adjustment was approved, reducing the appropriation by \$13,315. The resulting FY 2010-11 Long Bill appropriation was \$524,770. FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$4,158 (one-time). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 request by \$13,315, FY 2011-12 DI-NP 5: 2% Across the Board Personal Services Reduction reduces the appropriation by \$8,531, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$12,128 for a total FY 2011-12 November 1 Request of \$517,426. Funding for this line item is supported by the General Fund and fees from state and non-state agencies, per Long Bill annotation.

OPERATING EXPENSES

This line originally existed prior to FY 2009-10 in the Long Bill section: Division of Information Technology. Senate Bill 08-155 (IT Consolidation) transferred the division to the Governor's Office of Information Technology, leaving only the Information and Archival Services program in DPA. The line item supports the annual operating expenses of the Executive Office, its staff, and required functions.

The FY 2008-09 Long Bill appropriation was \$56,794, but the supplemental bill reduced the appropriation to \$47,082 for a one-time refinance of General Fund with other fund sources. The request was budget neutral, however JBC staff recommended, and the committee approved a greater reduction of General Fund (JBC supplemental recommendations for DPA, January 29, 2009, p. 4). For FY 2009-10, the additional funding reduced during the supplemental was restored, upon approval of a comeback request (OSPB FY 2009-10 Figure Setting Comebacks, p. 22), and S – NP: Statewide ARRA Administrative Cost Spending Authority increased the appropriation by \$8,750, for a total FY 2009-10 appropriation of \$65,544. The FY 2010-11 Long Bill appropriation was \$53,954 (JBC figure setting document for DPA, March 9, 2010, p. 46) and includes annualization (elimination) of the ARRA supplemental appropriation (although roll-forward authority from FY 2009-10 has been granted for three years). The FY 2010-11 Long Bill appropriation also includes a 5 percent reduction of \$2,840. The FY 2011-12 November 1 Request is \$53,984, after an increase of \$30 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. Funding for this line item is supported by indirect cost recoveries.

(4) OTHER STATEWIDE SPECIAL PURPOSE

TEST FACILITY LEASE

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.

For FY 2008-09, continuation funding was approved in the amount of \$119,842 by the JBC (JBC figure setting document for DPA, March 5, 2008, p. 32). In the FY 2009-10 Long Bill, continuation funding was again approved. Decision Item #13 – FY 2009-10 Long Bill Realignment was approved to move this line to the EDO (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group (JBC figure setting document for DPA, March 11, 2009, pp. 43-44). Continuation funding was approved for the FY

2010-11 Long Bill (JBC figure setting document for DPA, March 9, 2010, p. 46). The FY 2011-12 November 1 Request is \$119,842. This appropriation is 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 re-negotiated the contract to a lower rate (from \$19,400 to \$17,400).

For FY 2008-09, continuation funding in the amount of \$17,400 approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pp. 32-33). The total appropriation for this line for FY 2009-10 was continuation funding. Decision Item #13 – FY 2009-10 Long Bill Realignment was approved to move this line to the EDO (B) Statewide Special Purpose, (4) Other Statewide Special Purpose group (JBC figure setting document for DPA, March 11, 2009, pp. 43-44). An increase of \$600 was approved for FY 2010-11, resulting from a contractual increase currently in effect. The resulting FY 2010-11 Long Bill appropriation was \$18,000 (JBC figure setting document for DPA, March 9, 2010, p. 46). The FY 2011-12 November 1 Request is \$18,000. This appropriation is 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.

For FY 2008-09, continuation funding in the amount of \$11,370 was approved by the JBC (JBC figure setting document for DPA, March 5, 2008, pp. 33-34). A supplemental to reduce the appropriation by \$4,080, to \$7,290 was approved (S-1 – Employee Emeritus True-up Reduction, January 15, 2009; JBC FY 2008-09 supplemental recommendations for DPA, p. 3). The original request for this line for FY 2009-10 was continuation funding, however a budget amendment to continue the supplemental reduction from FY 2008-09 was approved (JBC figure setting document for DPA, March 11, 2009, pp. 44-45). The FY 2010-11 Long Bill appropriation was \$2,710, due to departmental determination that the appropriation could be reduced to a lesser amount sufficient to provide benefits for remaining individuals (JBC figure setting document for DPA, March 9, 2010, pp. 46-47). The FY 2011-12 November 1 Request is \$2,710. This appropriation is supported by the General Fund.

GOVERNOR'S TRANSITION

This is a line item that requires an appropriation every four years, or each time that a new Governor could take office - it is a statutory requirement, per 24-8-105 C.R.S. The relevant portion of the statute is reflected below:

“At the regular session in each year in which there is a general election to elect a new governor, the general assembly shall appropriate to the department of personnel a sum of not less than ten thousand dollars to pay the necessary expenses of the governor-elect incurred between the general election and the inauguration, including, but not limited to, office supplies, postage, actual and necessary travel expenses, and compensation of administrative, secretarial, and clerical personnel. Any unexpended balance of such appropriation remaining after the payment of such expenses shall revert to the general fund.”

The last time an appropriation for this line item appeared in the Long Bill was FY 2006-07. It was a one-time appropriation of \$10,000. An emergency supplemental appropriation of \$12,650 for FY 2010-11 was approved by the JBC in September 2010. Because it was unknown whether the incumbent Governor would run for a second term at the time the Department's FY 2010-11 budget request was submitted, the need for funding for a new Governor was unforeseeable, and therefore could not be included in the FY 2010-11 Long Bill at the time of figure setting. Annualization of this one-time funding results in a November 1 Request of \$0 for FY 2011-12 (and thereby, elimination of the line item).

(2) DIVISION OF HUMAN RESOURCES

(A) HUMAN RESOURCE SERVICES

(1) STATE AGENCY SERVICES

PERSONAL SERVICES

This line has existed since the inception of State Agency Services. 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 compensation survey; creating and maintaining job evaluation systems; developing compensation and 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 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 Long Bill appropriation for this line for FY 2009-10 was \$2,000,042 and 26.2 FTE, which represents a 1.8 percent reduction to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists). Two August 24, 2009 budget reduction supplementals were accepted, which reduced the appropriation by \$132,264 and 2.0 FTE, prorated for a partial year, which annualized to 4.0 FTE ongoing (for the elimination of one

Communications position and three Talent Management Unit positions in this line item). Additionally, S-NP: Statewide Furlough Impact reduced the appropriation by \$16,001, and S-NP: Statewide ARRA Administrative Cost Spending Authority increased it by \$27,291. The resulting FY 2009-10 final appropriation was \$1,879,168. For FY 2010-11, an appropriation of \$1,628,251 and 20.2 FTE was approved. The adjustment includes the restoration of the 1.8 percent, \$37,408 reduction in FY 2009-10, as well as annualizations for the two budget reductions offered as part of the August 2009 budget reduction package: reductions of \$87,252 and 1.0 FTE for the Communications Unit, and \$199,776 and 3.0 FTE for the Talent Management Unit. Additionally, S-NP: Statewide Furlough Impact was restored for FY 2010-11, and S-NP: Statewide ARRA Administrative Cost Spending Authority was annualized (eliminated); although a three-year roll-forward was authorized in the FY 2009-10 supplemental bill. DI-1: FTE Reallocation reassigned \$62,648 to the Office of the State Controller. BA-NP: Statewide PERA Adjustment reduced the appropriation by \$39,523 (JBC figure setting document for DPA, March 9, 2010, p. 47). The FY 2010-11 Long Bill appropriation was \$1,628,251, and included a reduction of \$20,000 due to an error in calculating an indirect cost recovery figure (JBC staff comeback memo, March 18, 2010). FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$16,283 (one-time). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$39,523, DI-NP 5: 2% Across the Board Personal Services Reduction reduces the appropriation by \$33,355, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$38,850 for a total FY 2011-12 November 1 Request of \$1,595,569. This appropriation is supported by statewide indirect cost recoveries from the Department of Transportation and the Department of Labor and Employment, 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 JBC approved continuation funding for FY 2008-09 in the amount of \$88,462 (JBC figure setting document for DPA, March 5, 2008, p. 38). The FY 2008-09 supplemental bill for the Department made the following one-time adjustment: a reduction of \$2,010 reappropriated funds in the State Agency Services, Operating Expenses line item through Supplemental Request #8 – Division of Human Resources Travel Reduction (JBC Supplemental Recommendation document, January 29, 2009, p. 11). The final appropriation in the FY 2008-09 supplemental bill for this line item was \$80,943. For FY 2009-10, \$411 was approved for a decision item (Statewide Common Policy Decision Item – Mail and Postage Increase, November 1, 2008). The total Long Bill appropriation for this line for FY 2009-10 was \$88,873 (JBC figure setting document for DPA, March 11, 2009, p. 47). This included a reduction of

\$411 due to the annualization of the FY 2009-10 Mail and Postage Increase decision item. Supplemental-NP: Statewide ARRA Administrative Cost Spending Authority, increased the appropriation by \$8,683. The final FY 2009-10 appropriation was \$97,556. The FY 2010-11 Long Bill appropriation was \$84,070. This included annualization (elimination) of S-NP: Statewide ARRA Administrative Cost Spending Authority (although a three-year roll-forward was granted in the FY 2009-10 supplemental bill). BA-NP: Mail Equipment Upgrade was also approved in the amount of \$52, as well as a 5 percent budget reduction of \$4,426 (JBC figure setting document for DPA, March 9, 2010, p. 49). JBC staff's recommendation resulted in \$18 less than the request due to failure to annualize S-NP: Mail Equipment upgrade in the amount of \$429, and SWDI: Mail and Postage Increase, a reduction of \$411. The FY 2011-12 November 1 Request is \$84,145 after an increase of \$75 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by statewide indirect cost recoveries from the Department of Transportation and the Department of Labor and Employment, 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, project management, leadership, diversity, conflict resolution, business writing, computer skills, change management, customer service, financial fitness (pre-retirement), 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 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.

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). The FY 2008-09 supplemental bill for the Department made the following adjustments: a reduction of \$44,857 reappropriated funds in the State Agency Services Personal Services line item and a corresponding increase of \$25,679 cash funds (training revenue) and \$19,178 reappropriated funds (training revenue) to the Training Services line item through Supplemental Request #5 – Training Services Refinance (JBC Supplemental Recommendation document, January 29, 2009, p. 7). The final appropriation in the supplemental bill for FY 2008-09 for this line item was \$123,837. For FY 2009-10, \$70,097 was approved through a decision item (DI #2 - Training Services Base Increase, November 1, 2008), although the requested associated 1.0 FTE was not approved. JBC staff did not believe there would be sufficient funding in departments to warrant the workload. However, the JBC appropriated an additional \$100,000 in spending authority in the event there would be sufficient demand for the service. In addition a transfer of \$89,714 was approved for the line which was a refinance proposed through Budget Reduction #3 – Training Services Refinance. The total Long Bill appropriation for this line for FY 2009-10 was \$268,694. Continuation funding was approved for the FY 2010-11 Long Bill (JBC figure setting document for DPA, March 9, 2010, p. 49). The FY 2011-12 November 1 Request is \$266,945 after a reduction of \$1,749 for FY 2011-12 DI-NP 7: Statewide PERA Adjustment. This appropriation is supported by training revenue from non-state agencies, and training revenue from state agencies, per Long Bill annotation.

INDIRECT COST ASSESSMENT

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 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, p. 41). No appropriation for this purpose was requested for FY 2009-10. For FY 2010-11, the Department requested an appropriation of \$4,605, as identified in the FY 2009-10 Statewide Indirect Cost Plan, however JBC staff did not include this line item in the figure setting recommendation and no appropriation was

made in the FY 2010-11 Long Bill. The November 1 Request for FY 2011-12 is \$9,414. This appropriation is supported by training revenue from state agencies, per previous Long Bill annotation.

(B) EMPLOYEE BENEFITS SERVICES

PERSONAL SERVICES

The authority for this program is found in C.R.S. 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 accounting unit in the Executive Director's Office, and the administration of the employee group benefits plans. The Unit provides 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.

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, p. 46). The resulting appropriation for FY 2008-09 was \$952,805. For FY 2008-09, \$25,889 for salary survey was allocated as well as \$7,457 for Performance-Based Pay. The FY 2009-10 Long Bill appropriation was \$992,401 which included an additional \$6,250 in cash funds above the Department's request due to an error related to the appropriation for HB 07-1335 in which funding for temporary services was appropriated to operating instead of personal services. Additionally, \$21,883 for the associated 0.5 FTE appropriated through the bill was refinanced from General Fund to cash funds (Employee Benefits Administration), (JBC figure setting document for DPA, March 11, 2009, p. 51). Senate Bill 09-066 – PERA Merger State Defined Contribution Plan resulted in a reduction of \$161,339 cash funds and 2.0 FTE, and S-NP: Statewide Furlough Impact reduced the appropriation by another \$23,732 for a total FY 2009-10 appropriation of \$807,330 and 10.5 FTE. For FY 2010-11, \$770,579 and 10.0 FTE was appropriated in the Long Bill, which includes the annualization of SB 09-066 (a reduction of \$41,201 and 0.5 FTE), annualization S-NP: Statewide Furlough Impact in the amount of \$23,732, and BA-NP: Statewide PERA Adjustment which was a reduction of \$19,282, as well as the refinance of cash funds to reappropriated funds per HB 08-1320 (JBC figure setting document for DPA, March 9, 2010, p. 50). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 November 1 Request by \$19,282, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$9,680 for a

total FY 2011-12 November 1 Request of \$780,181. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), 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 two self-funded options in the medical plan, one of which is qualified for a Health Savings Account offered through the Third Party Administrator, two fully insured Health Maintenance Organization (HMO) options in the medical plan, 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).

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, p. 47). The resulting appropriation for FY 2008-09 was \$122,725. For FY 2009-10, an increase of \$854 through NP Statewide Common Policy Decision Item – Mail and Postage Increase was approved. The total appropriation for FY 2009-10 was \$98,687, which includes the transfer of \$6,250 cash funds to the Employee Benefits Services Personal Services line due to a technical error in the way HB 07-1335 was appropriated (JBC figure setting document for DPA, March 11, 2009, p. 51), as well as FY 2009-10 S-NP: Mail Equipment Upgrade, a decrease of \$892, and Senate Bill 09-066 which reduces the appropriation by \$17,750 cash funds. For FY 2010-11, a further reduction of \$475 cash funds is requested for the annualization of SB 09-066 – PERA Merger State Defined Contribution Plan, as well as a reduction of \$854 due to annualization of the FY 2009-10 Mail and Postage Increase decision item, and \$892 for the annualization of the FY 2009-10 S-NP: Mail Equipment Upgrade. The total Long Bill appropriation in this line for FY 2010-11 is \$56,924, which includes FY 2009-10 DI-2: Employee Benefits Services Operating Reduction for a decrease of \$41,434 and an increase of \$108 for FY 2010-11 BA-NP: Mail Equipment Upgrade (JBC figure setting document for DPA, March 9, 2010, p. 51). House Bill 10-1228 increases the FY 2010-11 appropriation by another \$4,400, then is annualized through a reduction of \$3,000 in FY 2011-12. The FY 2011-12 November 1 Request is \$58,361 after an increase of \$37 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

UTILIZATION REVIEW

The authority for this line is found in C.R.S. 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 FY 2008-09 appropriation remained at \$40,000 (JBC figure setting document for DPA, March 5, 2008, p. 47), as did the FY 2009-10 appropriation (JBC figure setting document for DPA, March 11, 2009, p. 51). Continuation funding was appropriated for FY 2010-11 (JBC figure setting document for DPA, March 9, 2010, p. 52). The FY 2011-12 November 1 Request is \$40,000. This appropriation is supported by 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 was previously established in Section 24-52-102, which dictated 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 for this line item remained at \$84,500 (JBC figure setting document for DPA, March 5, 2008, p. 47). Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Deferred Compensation Plan to the Public Employees Retirement Association (PERA), and thus, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S.

DEFERRED COMPENSATION ADMINISTRATION (TPA)

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

The FY 2008-09 appropriation for this line item remained at \$682,000 (JBC figure setting document for DPA, March 5, 2008, p. 47). Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Deferred

Compensation Plan to the Public Employees Retirement Association (PERA), and thus, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Deferred Compensation Administration Fund created in Section 24-52-102(5)(a), C.R.S.

DEFINED CONTRIBUTION PLANS

This appropriation supported 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. Prior to FY 2009-10, the Deferred Compensation Committee administered both the Deferred Compensation (457) and Defined Contribution (401) plans. Senate Bill 09-066 (PERA Merger/State Defined Contribution Plan) transferred the administration of the State's Defined Compensation Plan to the Public Employees Retirement Association (PERA). The Deferred Compensation Committee was abolished as a result of the bill.

The FY 2008-09 appropriation for this line item remained at \$682,000 (JBC figure setting document for DPA, March 5, 2008, p. 47). As a result of SB 09-066, the appropriation to the Department was eliminated for FY 2009-10. This appropriation was historically supported by the Defined Compensation Administration Fund created in Section 24-52-203(9)(b), C.R.S.

HB 07-1335 SUPPLEMENTAL STATE CONTRIBUTION FUND

This line item was initiated based on HB 07-1335, which provides money used to supplement the monthly employee contribution to medical benefits for low-income state employees with children. It also required the Department to establish a one-year (FY 2008-09) pilot disease management program in asthma using money from the Short-term Innovative Health Program Grant Fund established in S.B. 07-97. Senate Bill 07-097 established a fund to be administered by the Department beginning in FY 2007-08.

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 would 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 FY 2009-10 appropriation was \$1,599,114. The Long Bill appropriation for FY 2010-11 was \$1,469,800 based on updated information (JBC figure setting document for DPA, March 9, 2010, pp. 52-53). The FY 2011-12 November 1 Request is \$1,469,800. This

appropriation is 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 FY 2008-09 assessment per Common Policy was \$210,609 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 49). An increase of \$103,571 was requested for FY 2009-10, resulting in a revised appropriation of \$314,180 (JBC figure setting document for DPA, March 11, 2009, p. 53). For FY 2010-11, the Department received a Long Bill appropriation of \$250,261, as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 53). The November 1 Request for FY 2011-12 is \$209,719 after an incremental base adjustment (reduction) of \$40,542. This appropriation is supported by the Group Benefit Plans Reserve Fund created in Section 24-50-613(1), C.R.S., per Long Bill annotation.

(C) RISK MANAGEMENT SERVICES

Risk Management Services consists of the following service area. Services are provided to all state department and higher education institutions except the University of Colorado system, Colorado State University at Fort Collins, and the University of Northern Colorado. Effective July 1, 2010, Mesa State College and Fort Lewis College no longer participate in the Workers' Compensation Fund.

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 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 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 participating 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 support 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 annualized salary survey allocation from FY 2007-08 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 was \$20,034 and \$5,834 for Performance-Based Pay. The Long Bill appropriation for FY 2009-10 was \$659,211 (JBC figure setting document for DPA, March 11, 2009, p. 54). FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$11,232, for a final FY 2009-10 appropriation of \$647,979. The FY 2010-11 Long Bill appropriation was \$650,085 and included annualization (restoration) of the furlough impact, and FY 2010-11 BA-NP: Statewide PERA Adjustment, a reduction of \$9,126 (JBC figure setting document for DPA, March 9, 2010, p. 53). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$9,126, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$9,174 for a total FY 2011-12 November 1 Request of \$650,037. 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 FY 2008-09 appropriation was continued at \$57,104. For FY 2009-10, the Department requested an increase for postage and mail (NP Statewide Common Policy – Mail and Postage Increase for \$207, submitted November 1, 2008). The FY 2009-10 Long Bill appropriation was \$57,311 (JBC figure setting document for DPA, March 11, 2009, p. 54). The FY 2010-11 Long Bill appropriation was \$57,121 and included a reduction of \$207 resulting from annualization of the FY 2009-10 Mail and Postage Increase decision item, and annualization of FY 2009-10 S-NP: Mail Equipment Upgrade in the amount of \$216. The total FY 2011-12 November 1 Request is \$57,154 after an increase of \$33 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. 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 increase for FY 2008-09 of \$97,810 (JBC figure setting document for DPA, March 5, 2008, p. 50), resulting in a total appropriation of \$2,392,686. For FY 2009-10, the Department requested continuation funding (JBC figure setting document for DPA, March 11, 2009, p. 55), but received an increase of \$8,921 for a total appropriation of \$2,401,607, pursuant to Legal Services common policy. For FY 2010-11, the Long Bill appropriation was \$2,337,568. The total FY 2011-12 November 1 Request is \$2,440,722 after an FY 2011-12 Common Policy Baseline Adjustment of \$103,154. 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. 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 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, \$10,087,116 was appropriated (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 5). Senate Bill 09-279 transferred \$10,010,599 from the risk management fund to aid the General Fund shortfall in FY 2008-09. An August 24, 2009 budget reduction supplemental to reduce volatility funding in the line item was approved, and reduced the appropriation by \$558,094. For FY 2010-11, \$7,312,375 was appropriated in the Long Bill which includes a Liability Common Policy Baseline

reduction and annualization of the August 24, 2009 budget reduction – Risk Management Reduction of Volatility (JBC figure setting document for DPA Operating Common Policies, March 18, 2010, p. 3). The total FY 2011-12 November 1 Request is \$5,067,594, after an FY 2011-12 Common Policy Adjustment (reduction) of \$2,244,781. 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. 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 2008-09. The FY 2009-10 Long Bill appropriated \$11,038,314, which included a 16.5 percent contingency (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 6). Senate Bill 09-279 transferred \$1,295,055 from the self-insured property fund to aid the General Fund shortfall in FY 2008-09. An August 24, 2009 budget reduction supplemental to reduce volatility funding was approved, resulting in a reduction to the appropriation of \$740,916. For FY 2010-11, \$9,189,910 was appropriated, which includes a Property Common Policy Baseline adjustment as well as annualization of August 24, 2009 budget reduction: Risk Management Reduction of Volatility (JBC figure setting document for DPA Operating Common Policies, March 18, 2010, pp. 4-5). The total FY 2011-12 November 1 Request is \$8,925,709 after an FY 2011-12 Common Policy Baseline Adjustment (reduction) of \$264,201. 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. 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 approved (JBC figure setting document for DPA, March 5, 2008, p. 54), resulting in a total FY 2008-09 appropriation of \$31,896,783. The FY 2009-10 appropriation was \$44,409,630, which included a 16.5 percent contingency (JBC figure setting document for DPA Common Policies, March 17, 2009, p. 6). Senate Bill 09-279 transferred \$10,316,060 from the state employee workers' compensation account in the risk management fund to aid the General Fund shortfall in FY 2008-09. An August 24, 2009 budget reduction supplemental was approved to reduce the appropriation by \$1,608,495 in order to reduce volatility funding in the line item, and to eliminate contract review, further reducing the appropriation by \$547,863. The FY 2010-11 Long Bill appropriation was \$36,660,150, which includes a Workers' Compensation Common Policy Baseline adjustment as well as annualization of August 24, 2009 budget reductions: Risk Management Reduction and Volatility and Risk Management Contract Review and Reduction (JBC figure setting document for DPA Operating Common Policies, March 18, 2010, pp. 5-6). The total FY 2011-12 November 1 Request is \$38,077,962 after an FY 2011-12 Common Policy baseline adjustment of \$1,417,812. 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.

For FY 2008-09, the Department received an appropriation of \$205,237, as identified in the FY 2007-08 Statewide Indirect Cost Plan, (JBC figure setting document for DPA, March 5, 2008, p. 54). For FY 2009-10, \$210,797 was appropriated as requested (JBC figure setting document for DPA, March 11, 2009, p. 56). For FY 2010-11, the Department received a Long Bill appropriation of \$183,888, as identified in the FY 2009-10 Statewide Indirect Cost Plan. The November 1 Request for FY 2011-12 is \$178,656 after an incremental base adjustment (reduction) of \$5,232. 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) CONSTITUTIONALLY INDEPENDENT ENTITIES**(A) PERSONNEL BOARD****PERSONAL SERVICES**

This line was created as 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.

For FY 2008-09, the annualized salary survey allocation was \$14,883, and the Performance-Based Pay allocation was \$4,705, resulting in a total base appropriation of \$456,945 (JBC figure setting document for DPA, March 5, 2008, p. 55). For FY 2009-10, a budget-neutral fund mix adjustment was requested, in the amount of \$485,891, and 4.8 FTE. The actual fund mix applied in the Long Bill differed, due to the availability of statewide indirect costs. Rather than being funding primarily from reappropriated funds, the program was primarily funded through General Fund in FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 58). FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$14,654, for a final FY 2009-10 appropriation of \$471,237. For FY 2010-11, no salary survey or Performance-Based pay was funded, and the Long Bill appropriation was \$473,985 and included annualization (restoration) of the furlough impact, and FY 2010-11 BA-NP: Statewide PERA Adjustment (JBC figure setting document for DPA, March 9, 2010, p. 56). FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$4,728 (one-time). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$11,906, DI-NP 5: 2% Across the Board Personal Services Reduction reduces the appropriation by \$9,695, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$10,161 for a total FY 2011-12 November 1 Request of \$466,035. The remaining cash funding source for this appropriation is receipts collected for copies of information and case documentation, 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.

For FY 2008-09, continuation funding was approved in the amount of \$29,033 (JBC figure setting document for DPA, March 5, 2008, p. 56). The appropriation was decreased by \$6,000 as a result of Supplemental Request #10 – State Personnel Board Operating Reduction (JBC Supplemental Recommendations for DPA, January 29, 2009, p. 13). For FY 2009-10, a decision item for mail and postage increases was approved for \$264 (NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008). The Department received approval for a FY 2009-10 Long Bill appropriation of \$24,297. This included a \$5,000 budget reduction, annualized from the FY 2008-09 supplemental reduction (Budget Amendment # 9 – Personnel Board Operating Expenses Reduction – see JBC figure setting document for DPA, March 11, 2009, p. 58-59). For FY 2009-10, a reduction of \$3,528 was implemented as a

result of HB 09-1150 (Department of Personnel Statutory Cleanup). Also in FY 2009-10, S-NP: Statewide ARRA Administrative Cost Spending Authority increased the appropriation by \$8,750, and S-NP: Mail Equipment Upgrade reduced the appropriation by \$276. The Department requested a transfer of funds from this line to the Personal Services line through a June emergency supplemental (NP-1331: ARRA Technical Supplemental) due to a technical error in which the funding was originally requested in the wrong line, however JBC staff did not recommend approval of this request (JBC FY 2009-10 Interim Supplemental Request Recommendation, June 21, 2010). The final FY 2009-10 appropriation was \$29,243. For FY 2010-11, annualization of the FY 2009-10 Mail and Postage Increase decision item decreased the appropriation by \$264. BA-NP: Mail Equipment Upgrade to increase the appropriation by \$33 was not approved. A 5 percent operating cut reduced the appropriation by \$1,027. The final FY 2010-11 Long Bill appropriation was \$19,478 (JBC figure setting document for DPA, March 9, 2010, p. 57). Prior to FY 2009-10, the annual funding source for this appropriation came 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. Beginning in FY 2009-10, the fund source changed to General Fund, as a result of a change in the methodology used to apply statewide indirect costs to departmental lines during figure setting. The FY 2011-12 November 1 Request is \$19,496 after an increase of \$18 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. In the FY 2010-11 Long Bill, the fund source was again indirect cost recoveries.

LEGAL SERVICES FOR 330 HOURS

This line was first placed in the Department of Personnel and Administration in SB 09-196, when the Joint Budget Committee voted to split out the Personnel Board's share of legal services allocation from the departmental appropriation in the Executive Director's Office. Funding is appropriated to allow the Department to purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals.

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 2009-10 of \$24,875 General Fund (JBC figure setting document for DPA, March 11, 2009, p. 61). Continuation funding was appropriated for FY 2010-11 (JBC figure setting document for DPA, March 9, 2010, p. 57). The FY 2011-12 November 1 Request is \$24,875.

(B) INDEPENDENT ETHICS COMMISSION

PERSONAL SERVICES

The Independent Ethics Commission is a constitutionally created independent commission and is charged with the implementation of Article XXIX of the Colorado Constitution and Article 24-18.5-101 of the Colorado Revised Statutes. The purpose of the IEC is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution and any other standards of conduct and reporting requirements as provided by law. The Governor of Colorado, and Colorado's Supreme Court, Senate and House of Representatives have each appointed one member of the Commission. The four members of the Commission selected an individual to participate as the fifth member of the commission through an application process. Members serve without compensation and are reimbursed for actual and necessary expenses incurred in carrying out their duties.

For FY 2008-09, partial funding was approved for an emergency supplemental (September 2008 – Independent Ethics Commission True-up) to increase the appropriation to this line item to \$97,974 in order to reallocate the director's position and add personal services resources to support the director position. Non-prioritized Budget Amendment – Independent Ethics Commission True-up, January 23, 2009, annualized the additional funding granted through the FY 2008-09 emergency supplemental, and increased the FY 2009-10 appropriation by \$64,238, as well as increased the FTE by 0.2, for a total appropriation of \$144,285 and 2.0 FTE. In FY 2009-10, all line items associated with the Independent Ethics Commission were transferred from the Office of Administrative Courts to the newly created Division: “Constitutionally Independent Entities” in the Long Bill. FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$2,099, for a final FY 2009-10 appropriation of \$142,186. FY 2010-11, an appropriation of \$142,579 was approved in the Long Bill, which included a reduction of \$1,706 due to FY 2010-11 BA-NP: Statewide PERA Adjustment and included annualization (restoration) of the furlough impact (JBC figure setting document for DPA, March 9, 2010, p. 57). House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA's budget.

OPERATING EXPENSES

For FY 2008-09, the annualized appropriation for operating expenses was \$11,114 (Senate Bill 07-210 fiscal note). Partial funding was approved for an emergency supplemental (September 2008 – Independent Ethics Commission True-up) to increase the appropriation to this line item by \$10,579 due to higher than anticipated implementation costs. Non-prioritized Budget Amendment – Independent Ethics Commission True-up, January 23, 2009, annualized the additional funding granted through the FY 2008-09 emergency supplemental, and increased the FY 2009-10 appropriation by \$5,495 for a total appropriation of \$16,639. In FY 2009-10, all line items associated with the Independent Ethics Commission were transferred from the Office of Administrative Courts to the

newly created Division: “Constitutionally Independent Entities” in the Long Bill. For FY 2010-11, a reduction of \$832 was approved as part of the Department’s 5.0 percent operating budget reduction, resulting in a total Long Bill appropriation of \$15,807 (JBC figure setting document for DPA, March 9, 2010, p. 57). House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA’s budget.

LEGAL SERVICES FOR 330 HOURS

This line was first placed in the Department of Personnel and Administration in SB 09-196, when the Joint Budget Committee voted to split out the Independent Ethic Commission’s share of legal services allocation from the departmental appropriation in the Executive Director’s Office. Funding is appropriated to allow the department to purchase necessary legal services from the Department of Law. The rate provides for the purchase of services from both attorneys and paralegals.

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 2009-10 of \$67,842 General Fund. This figure also includes additional funding requested through Non-prioritized Budget Amendment – Independent Ethics Commission True-up, January 23, 2009, for which the final figure was determined after the Department’s figure setting, pursuant to legal services common policy (JBC figure setting document for DPA, March 11, 2009, p. 61). Continuation funding of \$67,842 was approved for FY 2010-11. House Bill 10-1404 transferred the Independent Ethics Commission to the Judicial Department, eliminating the appropriation and line item in DPA’s budget.

(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.

For FY 2008-09, salary survey was \$24,839 and performance-based pay was \$7,228, resulting in a total FY 2009-10 appropriation of \$751,883 (JBC figure setting document for DPA, March 11, 2009, p. 63). FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$23,846, for a final FY 2009-10 appropriation of \$728,037. The FY 2010-11 Long Bill appropriation was \$732,508, which included a reduction of \$19,375 due to FY 2010-11 BA-NP: Statewide PERA Adjustment and included annualization (restoration) of the furlough impact (JBC figure setting document for DPA, March 9, 2010, p. 58). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$19,675, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces it by \$17,332 for a total FY 2011-12 November 1 Request of \$734,551. This appropriation is 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.

Continuation funding in the amount of \$77,427 was approved for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, p. 58), and for FY 2009-10 as well (JBC figure setting document for DPA, March 11, 2009, p. 63). Continuation funding was again approved for FY 2010-11 (JBC figure setting document for DPA, March 9, 2010, p. 58). The FY 2011-12 November 1 Request is \$77,464 after an increase of \$37 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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 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, p. 58). For FY 2009-10, an appropriation of \$100,300 was approved (JBC figure setting document for DPA, March 11, 2009, p. 64). For FY 2010-11, \$139,025 was funded as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 58). The November 1 Request for FY 2011-12 is \$115,630 after an incremental base adjustment (reduction) of \$23,395. This appropriation is 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 total appropriation for FY 2008-09 was \$1,206,961, decreased 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, resulting in a FY 2009-10 base request of \$1,227,090. A FY 2009-10 decision item affecting this line was approved at an amount higher than requested: Decision Item #3 – Integrated Document Factory Contingency Fund (November 1, 2008), would have added a 10 percent contingency, or \$122,709 to the appropriation. The JBC voted to increase the contingency to 20 percent, or \$245,418. Budget Amendment #4 was approved to move \$166,693 and 2.7 FTE to Mail Personal Services in order to reallocate funding and staff where services were most needed (JBC figure setting document for DPA, March 11, 2009, pp. 65-66). The Long Bill appropriation for FY 2009-10 was \$1,283,514, which represents a 1.7 percent reduction, or \$22,301, to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists). House Bill 09-1150 – Department of Personnel Statutory Cleanup increased the appropriation by \$594,632 (spending authority in anticipation of increased services provided to other state agencies) for a FY 2009-10 appropriation of \$1,878,146. FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$5,286, for a final FY 2009-10 appropriation of \$1,278,228. The FY 2010-11 Long Bill appropriation was \$1,959,016, which included a reduction of \$22,415 due to FY 2010-11 BA-NP: Statewide PERA Adjustment, annualization (restoration) of the furlough impact, reinstatement of the 1.82 percent personal services reduction in the amount of \$22,301, and annualization of contingency funding, in the amount of \$80,688 (JBC figure setting document for DPA, March 9, 2010, p. 58). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$22,415, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$17,583 for a total FY 2011-12 November 1 Request of \$1,963,848. This appropriation is 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.

Continuation funding was approved in the amount of \$2,404,752 for FY 2008-09 (JBC figure setting document for DPA, March 5, 2008, p. 59). An emergency supplemental, Reprographics Outsourcing (September, 2008), was approved for \$641,895 (JBC staff recommendations for FY 2008-09 Interim Supplemental Requests, September 22, 2008, pp. 3-4), resulting in a total FY 2008-09 appropriation of \$3,760,034. Two decision items were approved for FY 2009-10, in the amount of \$240,475 Decision Item #3 – Integrated Document Factory Contingency Fund (November 1, 2008) was requested for \$240,475 which represented a 10 percent contingency increase. The JBC voted to approve a 20 percent increase (\$245,418). Decision Item #10 – Paper Costs (November 1, 2008) was approved for \$93,705. Additionally, Budget Amendment #2 – Reprographics Outsourcing was approved (annualization of the related FY 2008-09 supplemental) for \$713,387, for a total FY 2009-10 Long Bill appropriation of \$3,692,794 (JBC figure setting document for DPA, March 11, 2009, pp. 66-67). House Bill 09-1150 – Department of Personnel Statutory Cleanup increased the appropriation by \$1,184,747 (spending authority in anticipation of increased services provided to other state agencies) for a total FY 2009-10 appropriation of \$4,877,541. For FY 2010-11, \$5,275,909 was appropriated in the Long Bill, including annualization of 20 percent contingency funding in the amount of \$398,368 (JBC figure setting document for DPA, March 9, 2010, p. 61). The FY 2011-12 November 1 Request is \$5,281,698 after an increase of \$76 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents, and an increase of \$5,713 due to DI-NP 1: DOA Brand Assessment. This appropriation is 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 2008-09 indirect cost assessment per Common Policy was \$169,705 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 58). For FY 2009-10, \$147,901 was appropriated as identified in the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 11, 2009, pp. 65-66). For FY 2010-11, \$214,955 was appropriated as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 62). The November 1 Request for FY 2011-12 is \$158,482 after an incremental base adjustment (reduction) of \$56,473. This appropriation is 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.

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 in the FY 2008-09 Long Bill, which included a 1 percent 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. An emergency supplemental, DSG Additional Projects, December 2008, was approved in the amount of \$330,198 (Emergency Supplemental - Document Solutions Group Additional Projects, December, 2008 and JBC FY 2008-09 Supplemental Recommendations for DPA, January 29, 2009). The total appropriation for FY 2008-09 was \$3,085,955. For FY 2009-10, one decision item and two budget amendments affecting this line were approved:

Decision Item #3 – Integrated Document Factory Contingency Fund for \$567,424 (a 20 percent contingency, rather than the requested 10 percent or \$283,712 contingency); Budget Amendment #1 – Document Solutions Group Additional Projects (which annualized the FY 2008-09 emergency supplemental for the same purpose) in the amount of \$126,812 (the annualized effect, resulting in a net decrease of \$203,386 over FY 2008-09); and Budget Amendment #4 – Integrated Document Factory Personal Services True-Up, which moved funding and staff to Mail Personal Services, decreased the appropriation by \$269,231 and 5.5 FTE.

The FY 2009-10 Long Bill appropriation was \$3,358,983 (JBC figure setting document for DPA, March 11, 2009, pp. 68-69; for reasons unknown, JBC staff recommendation was a different figure than what was appropriated in the Long Bill even before the 1.7 percent personal services reduction). The FY 2009-10 Long Bill appropriation represents a 1.7 percent reduction (\$57,563) to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists). The total appropriation for FY 2009-10 was \$4,716,659, and includes an appropriation of \$1,357,676 through House Bill 09-1150 – Department of Personnel Statutory Cleanup (spending authority in anticipation of increased services provided to other state agencies). FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$3,059, for a final FY 2009-10 appropriation of \$3,355,924. The FY 2010-11 Long Bill appropriation was \$4,494,483, which included a reduction of \$59,134 due to FY 2010-11 BA-NP: Statewide PERA Adjustment, annualization (restoration) of the furlough impact, reinstatement of the 1.82 percent personal services reduction in the amount of \$57,563, a decrease of \$395,112 for the OIT Statewide Consolidation, and annualization of 20 percent contingency funding in the amount of \$174,507 (JBC figure setting document for DPA, March 9, 2010, p. 63). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 request by \$59,134 and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$38,555 for a total FY 2011-12 November 1 Request of \$4,515,062. This appropriation is 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.

A FY 2008-09 Decision Item was approved (Decision Item #2, for \$2,673, November 1, 2007), increasing the appropriation to \$407,519 for FY 2008-09. An emergency supplemental, DSG Additional Projects, December 2008, was approved in the amount of \$7,574 (Emergency Supplemental - Document Solutions Group Additional Projects, December, 2008), as was a regular supplemental (Supplemental #1 – Electronic Data Warehouse Licenses, January 2, 2009) for \$115,884 (JBC FY 2008-09 Supplemental Recommendations for DPA, January 29, 2009, p. 1). The total appropriation for FY 2008-09 was \$530,977.

The following change requests were approved for FY 2009-10: NP Statewide Common Policy – Mail and Postage Increase for \$2,119, DI #3 – Integrated Document Factory Contingency Fund, (approved for 20 percent, or \$81,504 contingency funding, rather than 10 percent, or \$40,752, as requested, Budget Amendment #1 – DSG Additional Projects for \$43,336 (JBC FY 2009-10 figure setting document for DPA, March 11, 2009, p. 69), NP DI #13 – Microfilm Increases Corresponding to DOR DI #5 for \$79,214, and multiple Department of Revenue Decision Items for which no corresponding spending authority was requested, but was approved, for DPA: \$154,423 corresponding to DOR DI #3, Data Entry Rate Increase and Data Capture Expansion, \$61,739 corresponding to DOR DI #4, Document Imaging and Storage, and \$6,255 corresponding to DOR DI #5, Titles Digital Image Storage Costs (JBC figure setting document for the Department of Revenue, March 16, 2009 – see sections for Central Department Operations, Driver and Vehicle Services, and Titles). Annualization of Supplemental #1 – Electronic Data Warehouse Licenses, January 2, 2009, was requested for \$19,314, however the JBC figure setting document does not mention it. The total appropriation for FY 2009-10 was \$1,147,251, and includes an appropriation of \$200,722 through House Bill 09-1150 – Department of Personnel Statutory Cleanup (spending authority in anticipation of increased services provided to other state agencies), and a decrease of \$2,212 (FY 2009-10 S-2: Mail Equipment Upgrade). For FY 2010-11, \$1,195,620 was appropriated in the Long Bill (JBC figure setting document for DPA, March 9, 2010, p. 63). The FY 2011-12 November 1 Request is \$1,195,806 after an increase of \$186 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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.

The FY 2008-09 Long Bill appropriation was \$69,000 (JBC figure setting document for DPA, March 5, 2008, pp. 60-61). For FY 2009-10, continuation funding was appropriated (JBC figure setting document for DPA, March 11, 2009, pp. 69-70), and was again appropriated for FY 2010-11 (JBC figure setting document for DPA, March 9, 2010, p. 64). The FY 2011-12 November 1 Request is

\$69,000. This appropriation is 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.

The FY 2008-09 indirect cost assessment per Common Policy was \$136,708 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 61). For FY 2009-10, an increase of \$36,381 was approved, resulting in a total appropriation of \$173,089 (JBC figure setting document for DPA, March 11, 2009, p 70). For FY 2010-11, \$261,123 was appropriated as requested and identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 64). The November 1 Request for FY 2011-12 is \$211,542 after an incremental base adjustment (reduction) of \$49,581. This appropriation is 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.

For FY 2008-09, the JBC approved a 1 percent base reduction of \$12,664 (JBC figure setting document for DPA, March 5, 2008, pp. 61-62). For FY 2008-09, salary survey was \$63,023 and performance-based pay was \$22,344. The total appropriation for FY 2008-09 was \$1,253,725. 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 2009-10 two change requests were submitted and approved: Decision Item #3 – Integrated Document Factory Contingency Fund for \$267,818 – a 20 percent contingency, rather than the 10 percent (\$133,909) contingency requested (November 1, 2008), and Budget Amendment #4 – IDF Personal Services True-up for \$755,521 and 8.2 FTE, January, 2009 (JBC figure setting document for DPA, March 11, 2009, pp. 69-70). The total appropriation for FY 2009-10 was \$2,935,895, and includes an appropriation of \$617,671 through House Bill 09-1150 – Department of Personnel Statutory Cleanup (spending authority in anticipation of increased services provided to other state agencies) as well as a 1.0 percent reduction (\$24,337) to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists), and also FY 2009-10 S-NP: Statewide Furlough Impact reduced the appropriation by \$19,870. The FY 2010-11 Long Bill appropriation was \$3,211,639, which included a reduction of \$35,918 due to FY 2010-11 BA-NP: Statewide PERA Adjustment, annualization (restoration) of the furlough impact, reinstatement of the 1.82 percent personal services reduction in the amount of \$19,870, and annualization of 20 percent contingency funding in the amount of \$535,273 (JBC figure setting document for DPA, March 9, 2010, p. 65). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$35,918 and FY 2011-12 DI-NP 7: Statewide PERA Adjustment decreases the appropriation by \$9,201 for a total FY 2011-12 November 1 Request of \$3,238,356. This appropriation is 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.

For FY 2008-09, the appropriation was reduced by \$110,950 to \$6,677,444 to account for the second year impact of 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 began 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, p. 62). Five change requests were submitted for FY 2009-10: NP Statewide Common Policy – Mail and Postage Increase for \$11,929 (this is the DPA customer share resulting from approval of Decision Item #5 – Postage Increase and Decision Item #8 – Mail Services Equipment Upgrade; although the two Decision Items were approved, DPA's customer share was not addressed during figure setting), Decision Item #3 – Integrated Document Factory Contingency Fund, for \$794,420 (but was actually approved at \$1,588,840 or 20 percent contingency, rather than the requested 10 percent contingency), Decision Item #5 - Postage Increase, for \$252,571, Decision Item #8 - Mail Services Equipment Upgrade, for \$1,428,000, and Budget Amendment #4 – IDF Personal Services True-up which transferred \$755,521 and 8.2 FTE from other sections in IDF. The total Long Bill appropriation for FY 2009-10 was \$11,213,611 (JBC figure setting document for DPA, March 11, 2009, p. 74). House Bill 09-1150 – Department of Personnel Statutory Cleanup (spending authority in anticipation of increased services provided to other state agencies) increased the FY 2009-10 appropriation to \$15,127,472.

The supplemental appropriation for FY 2009-10 was a decrease of \$1,440,455 (decrease of \$1,428,000 for S-12: Mail Equipment Upgrade, and a decrease of \$12,455 for S-NP: Mail Equipment Upgrade spending authority) resulting in a final appropriation of \$13,687,017. For FY 2010-11, \$14,519,620 was approved for the Long Bill, which includes annualization of the one time funding (\$1,428,000) through FY 2009-10 Decision Item #8 – Mail Services Upgrade, annualization of S-12: Mail Equipment Upgrade in the amount of \$1,506, and incremental annualization of 20 percent contingency funds in the amount of \$831,097 (JBC figure setting document for DPA, March 9, 2010, p. 66). The FY 2011-12 November 1 Request is \$14,519,779 after an increase of \$159 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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.

MAIL EQUIPMENT UPGRADE

The statutory authority for Central Services exists in C.R.S. 24-30-1101 through 1117. This line was established in FY 2009-10 as a result of approval of S-2: Mail Equipment Upgrade. Funding was originally appropriated to purchase updated mail equipment, but the Department later learned that the federal government would not allow the Department to seek reimbursement of capital expenditures through direct or indirect cost assessments. Therefore, a supplemental was submitted in January, 2010 to enter into a five-year lease-purchase agreement for the equipment.

The FY 2009-10 supplemental appropriation in the first year of the line's existence was \$139,018 (JBC staff supplemental recommendation, January 19, 2010, p. 25). For FY 2010-11, funding for the line item was annualized, for a total Long Bill appropriation of \$333,642 (JBC figure setting document for DPA, March 9, 2010, p. 66). The FY 2011-12 November 1 Request is \$333,642. This appropriation is supported by General Fund and 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 2008-09 assessment per Common Policy was \$237,215 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 62). For FY 2009-10, an assessment of \$165,988 was appropriated as requested through the FY 2008-09 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 11, 2009, p. 74). For FY 2010-

11, \$252,286 was funded as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 66). The November 1 Request for FY 2011-12 is \$226,720 after an incremental base adjustment (reduction) of \$25,566. This appropriation is 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.

Senate Bill 08-155 – Centralize IT Management in OIT, did not reduce the FY 2008-09 appropriation of \$799,562, 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 request for FY 2009-10 was \$918,192, including \$52,162 and 1.0 FTE through Decision Item #11 – Fleet Greening Manager. The Decision Item was not approved, resulting in continuation funding of \$866,030 in the FY 2009-10 Long Bill (JBC figure setting document for DPA, March 11, 2009, pp. 75-76). The appropriation was reduced to \$844,391 in the FY 2009-10 supplemental bill, due to S-NP: Statewide Furlough Impact, a reduction of \$21,639 (JBC supplemental recommendation document for

DPA, January 19, 2010, p. 32 and p. 36). An OIT decision item (OIT Statewide Information Technology Staff Consolidation) reduced the FY 2010-11 request by \$117,012, and a reduction of \$20,506 due to FY 2010-11 BA-NP: Statewide PERA Adjustment resulted in a FY 2010-11 Long Bill appropriation of \$728,512 (JBC figure setting document for DPA, March 9, 2010, p. 67). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$20,506 and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$40,733 for a total FY 2011-12 November 1 Request of \$708,285. This appropriation is 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 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 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 fleet-wide 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 06-015, 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. For FY 2008-09, the appropriation was reduced by \$2,120,321 to \$20,677,433. A \$1,000,000 transfer

was made from the Fleet Fund to the General Fund for budget balancing purposes in FY 2008-09. The Department did not require additional spending authority for repayment to the federal government for their federal participation rate in the \$1,000,000 because the amount of contributed capital offset the \$397,000 repayment. For FY 2009-10, a decision item in the amount of \$8,036,817 was requested, then withdrawn in light of the statewide budget shortfall (DI #1 – State Fleet Management Operating Increase, November 1, 2008). Instead, the JBC accepted staff recommendation to apply a \$1.00/gallon spending authority contingency (without corresponding increases to agency appropriations) which amounted to \$4,875,000, applied to a slightly lower base than the FY 2008-09 appropriation. The resulting Long Bill appropriation for FY 2009-10 was \$24,127,500 (JBC figure setting document for DPA, March 11, 2009, pp. 76-77). For FY 2010-11, \$24,131,346 was appropriated in the Long Bill, due to continuation of the addition of a contingency spending authority of \$1.00 per gallon to account for fuel price volatility (JBC figure setting document for DPA, March 9, 2010, pp. 67-68). The FY 2011-12 November 1 Request is \$24,131,398 after an increase of \$52 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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 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. 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.

For FY 2008-09, a common policy adjustment of \$1,812,318 reduced the Long Bill line item appropriation to \$12,588,203 (JBC figure setting document for DPA, March 5, 2008, p. 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) were approved (although agency allocations differed slightly, due to JBC staff determination that only 624 of the requested 693 met mileage criteria). Supplemental/Budget Amendment: Statewide Vehicle Lease Line Reconciliation, February, 2009, was submitted and approved, in order to reduce the appropriation by \$1,337,122 (JBC figure setting document for DPA Common Policies, March 17, 2009, pp. 14-18). The total Long Bill appropriation for FY 2009-10 was \$13,984,778. The revised supplemental bill appropriation for FY 2009-10 was \$12,945,483. For FY 2010-11, a Fleet Vehicle Replacement Decision Item was requested. The JBC approved FY 2010-11 Long Bill funding in the amount of \$16,599,436 (JBC figure setting document for DPA operating common policies, March 18, 2010, pp. 13-14). FY 2010-11 S-NP 8: DOC Parole and Community Caseload reduced the appropriation by \$19,044 (one-time). The November 1 Request is \$16,602,387 after an increase of \$2,951 due to FY

2011-12 SW DI-1: Annual Fleet Vehicle Replacement. This appropriation is 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 2008-09 assessment for this line item per Common Policy was \$302,858 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 66). For FY 2009-10, an increase of \$150,635 was approved as requested, resulting in a total requested appropriation of \$453,493 (JBC figure setting document for DPA, March 11, 2009, p. 77, note that the correct amount is not identified in the figure setting document, but was applied in the Long Bill). For FY 2010-11, \$641,731 was approved as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 69). The November 1 Request for FY 2011-12 is \$614,667 after an incremental base adjustment (reduction) of \$27,064. This appropriation is 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.

For FY 2008-09, a 1 percent base reduction was adopted by the JBC in the amount of \$26,940, for a Long Bill appropriation of \$2,574,677. 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. The FY 2009-10 Long Bill appropriation was \$2,695,992, which included a 1.8 percent reduction (\$49,904) to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department’s figure setting hearing and introduction of the Long Bill, therefore no reference document exists). S-NP: Statewide Furlough Impact, a reduction of \$28,050 resulting in an FY 2009-10 supplemental appropriation of \$2,539,250 (JBC supplemental recommendation document for DPA, January 19, 2010, p. 16 and p. 36). For FY 2010-11, \$2,808,102 was appropriated for this line, which includes restoration of the one-time \$49,904 (1.8 percent) personal services reduction from FY 2009-10, as well as annualization of the August 24, 2009 supplemental reduction of \$156,742, Building Maintenance Reductions, and the consolidation of the Grand Junction State Services Building, Personal Services, and Camp George West, Personal Services line items into this line item (JBC figure setting document for DPA operating common policies, March 18, 2010, p. 16). Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$65,894 and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$53,990 for a total FY 2011-12 November 1 Request of \$2,820,006. This appropriation is supported by 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.

For FY 2008-09, the appropriation was increased by \$85,000 to \$1,722,466 in order 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 was \$1,722,466 (JBC figure setting document for DPA, March 5, 2008, p. 68). A transfer of \$2.3 million from the Capitol Complex Fund to the General Fund was made in FY 2008-09 for budget balancing purposes. For FY 2009-10, NP Statewide Common Policy – Mail and Postage Increase, was approved for \$151. A Budget Amendment to true-up Capitol Complex appropriations was approved, increasing the appropriation to this line by \$125,692, to account for increased operating expenses as a result of taking over a Community College of Denver building. However, rather than passing the costs along to agencies in the North Campus, the JBC voted to increase the Department's spending authority, with the intent that the funding come from fund balance. Additionally, Budget Reduction #13 – Capitol Complex Leased Space Reduction, February 11, 2009, was approved, reducing the appropriation by \$327,853 (JBC figure setting document for DPA Common Policies, March 17, 2009, pp. 20-21). The Department received additional spending authority in the amount of \$230,920 for repayment to the federal government for its participation rate (10.04%) associated with \$2.3 million that was transferred from the Capitol Complex Fund in FY 2008-09 to the General Fund for budget balancing. The amount came from fund balance and was not built into recoverable costs. The resulting Long Bill appropriation for FY 2009-10 was \$1,951,376.

Supplemental-8: Building Maintenance Reductions, reduced the FY 2009-10 appropriation by \$156,742, and S-2: Mail Equipment Upgrade reduced the appropriation by \$158 for an FY 2009-10 supplemental appropriation of \$1,794,476 (JBC supplemental recommendation document for DPA, January 19, 2010, p. 16 and p. 24). A Long Bill Add-On in the amount of \$48,949 increased the final appropriation to \$1,843,425, as a result of a final determination by the federal Division of Cost Allocation that a transfer is \$279,869 was necessary to reimburse the federal government for their participation in the \$2.3 million transfer to the General Fund in FY 2008-09. For FY 2010-11, an increase of \$151 was requested resulting from annualization of the FY 2009-10 Mail and Postage Increase decision item. The Long Bill appropriation for FY 2010-11 was \$1,884,034, and includes a transfer of \$140,000 from the Utilities line item, annualization of S-12: Mail Equipment Upgrade, annualization of an FY 2009-10 federal reimbursement, and consolidation of the operating expenses line items from the Grand Junction State Services Building Long Bill Group and the Camp

George West Long Bill Group (JBC figure setting document for DPA, March 9, 2010, p. 74). The FY 2011-12 November 1 Request is \$1,884,239 after an increase of \$205 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by 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.

For FY 2008-09, continuation funding was approved in the amount of \$56,520 (JBC figure setting document for DPA, March 5, 2008, pp. 68-69). Continuation funding was again appropriated for FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 79). For FY 2010-11, continuation funding was again appropriated in the Long Bill (JBC figure setting document for DPA, March 9, 2010, p. 74). The FY 2011-12 November 1 Request is \$56,520. This appropriation is supported by 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.

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, p. 69). Continuation funding was requested for FY 2009-10, however a slightly higher appropriation was approved (\$323,000), based on estimates provided by the Colorado State Patrol, for whom a portion of the line funds (JBC figure setting document for DPA, March 11, 2009, p. 79). For FY 2010-11, \$353,365 was appropriated in the Long Bill (JBC figure setting document for DPA, March 9, 2010, p. 74 *does not* match final supplemental appropriation). The FY 2011-12 November 1 Request is \$353,365. This appropriation is supported by 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

Senate Bill 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.

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, p. 69). Continuation funding was appropriated for FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 79). For FY 2010-11, the JBC voted to eliminate this line item, based on staff recommendation that revenues will likely continue not to materialize to support the appropriation (JBC figure setting document for DPA, March 9, 2010, p. 75). This appropriation was historically 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 past 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.

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, p. 69). For FY 2009-10, an increase of \$75,000 was

approved for a Budget Amendment - Capitol Complex Leased Space Reduction, February 11, 2009, as a result of the Department taking over a former Community College of Denver building, and being responsible for increased utilities costs. However, rather than charging agencies in the North Campus for the increase, the JBC voted to require that the increase come from existing fund balance (JBC figure setting document for DPA Common Policies, March 17, 2009, pp. 20-21). The Long Bill appropriation for FY 2009-10 was \$3,732,802. For FY 2010-11, \$4,114,706 and did not include a base request, but did include consolidation of the utilities line items from the Grand Junction State Services Building Long Bill Group and the Camp George West Long Bill Group (JBC figure setting document for DPA, March 9, 2010, p. 74). The FY 2011-12 November 1 Request is \$3,930,718 after a reduction of \$183,988 due to a FY 2011-12 Capitol Complex Leased Space Common Policy Baseline Adjustment. This appropriation is supported by 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 FY 2008-09 assessment per Common Policy was \$273,929 as identified in the FY 2007-08 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 5, 2008, p. 69). For FY 2009-10, an increase of \$161,131 was approved, resulting in a total appropriation of \$435,060 (JBC figure setting document for DPA, March 11, 2009, p. 79). For FY 2010-11, \$525,058 was appropriated as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 74). The November 1 Request for FY 2011-12 is \$457,027 after an incremental base adjustment (reduction) of \$68,031. This appropriation is supported by 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 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, p. 70). For FY 2009-10, \$48,459 was approved as requested (JBC figure setting document for DPA, March 11, 2009, p. 80). For FY 2010-11, this line item was eliminated and funding and FTE were consolidated into the Capitol Complex Facilities, Personal Services line item (JBC figure setting document for DPA, March 9, 2010, p. 75). This appropriation was historically 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 past 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.

For FY 2008-09, continuation funding was approved in the amount of \$76,873 (JBC figure setting document for DPA, March 5, 2008, p. 70), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation (Decision Item #3, November 1, 2007). The Decision Item was not approved, and the line remained as is in the Long Bill. Continuation funding was approved for FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 80). For FY 2010-11, this line item was eliminated and funding was consolidated into the Capitol Complex Facilities, Operating line item (JBC figure setting document for DPA, March 9, 2010, p. 75). This appropriation was historically 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 past 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.

FY 2008-09, continuation funding was approved in the amount of \$87,554 (JBC figure setting document for DPA, March 5, 2008, p. 70). Continuation funding was again approved for FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 80). For FY 2010-11, this line item was eliminated and funding was consolidated into the Capitol Complex Facilities, Utilities line item (JBC figure setting document for DPA, March 9, 2010, p. 75). This appropriation was historically 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 past 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 JBC approved a base appropriation for FY 2008-09 of \$66,232, including salary survey in the amount of \$9,870 and performance-based pay for \$3,539 (JBC figure setting document for DPA, March 5, 2008, p. 71), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation (Decision Item #3, November 1, 2007). The request was not approved, and the line remained as is in the Long Bill. For FY 2009-10, \$79,641 was approved as requested (JBC figure setting document for DPA, March 11, 2009, p. 81). An August 24, 2009 budget reduction supplemental was approved - Building Maintenance Reductions, which reduced the appropriation by \$18,516, resulting in a total appropriation of \$61,125. For FY 2010-11, this line item was eliminated and funding and FTE were consolidated into the Capitol Complex Facilities, Personal Services line item (JBC figure setting document for DPA, March 9, 2010, p. 76). This appropriation was historically 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 past 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. Operating expenses are related to custodial services, snow removal, lot and road repair, trash disposal and grounds maintenance.

The JBC approved continuation funding for FY 2008-09 in the amount of \$122,102 (JBC figure setting document for DPA, March 5, 2008, p. 71), however the Department requested to discontinue this line by adding it to the Capitol Complex Facilities Consolidation

(Decision Item #3, November 1, 2007). The Decision Item was not approved, and the line remained as is in the Long Bill. An appropriation of \$166,290 was approved for FY 2009-10, including \$44,188 for Decision Item #12 – Camp George West Noxious Weeds Ongoing Increase, November 1, 2008. An August 24, 2009 budget reduction supplemental for the Elimination of Noxious Weed Abatement reduced the appropriation by \$44,187, for a final FY 2009-10 appropriation of \$122,102. For FY 2010-11, this line item was eliminated and funding was consolidated into the Capitol Complex Facilities, Operating Expenses line item (JBC figure setting document for DPA, March 9, 2010, p. 76). This appropriation was historically 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 past 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 JBC approved continuation funding for FY 2008-09 in the amount of \$434,350 (JBC figure setting document for DPA, March 5, 2008, p. 71). Continuation funding was again appropriated for FY 2009-10 (JBC figure setting document for DPA, March 11, 2009, p. 81). For FY 2010-11, this line item was eliminated and funding was consolidated into the Capitol Complex Facilities, Utilities line item (JBC figure setting document for DPA, March 9, 2010, p. 76). This appropriation was historically 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 past Long Bill annotation.

(5) DIVISION OF ACCOUNTS AND CONTROLS - CONTROLLER

(A) OFFICE OF THE STATE CONTROLLER

PERSONAL SERVICES

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The Office of the State Controller was previously included in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group, however, the Department requested through a FY 2009-10 Decision Item that it be identified independent of Procurement Services in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from

the Purchasing and State Buildings Division. The Division of Finance and Procurement was renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director’s Office.

In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial affairs of the State, which includes statewide financial reporting and policy and procedural guidance for financial administration and internal control consulting for state agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System. The Office of the State Controller implements the Legislative budget, maintains budgetary control, authorizes all State contracts through delegation or direct reviews, issues warrants for the State, provides specialized accounting services to state agencies, manages statewide central payroll operations, prepares the annual statewide indirect cost allocation plans (federal plan and budget/cash fees plan), and manages the Recovery Audit Program and the Contract Management System. A primary responsibility of the State Controller is to approve directly, or through delegation 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. This line item and the associated appropriations of FTE and personal services funding support the Office of the State Controller 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, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability 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. Some of the items in the prior sentence are appropriated to the Department of Personnel & Administration and are allocated among the Department’s divisions and offices.

Funding for this recently separated line was not appropriated solely to the Office of the State Controller prior to FY 2009-10. However, for the formerly combined State Controller’s Office and Procurement Services, Personal Services line, the base appropriation for FY 2008-09 was \$2,961,203. Senate Bill 07-228 – Vendor Performance State Contracts increased the FY 2008-09 appropriation by \$67,994, and a 1 percent OSPB reduction reduced the appropriation by \$30,805 to \$3,117,587 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 73). For FY 2008-09, the salary survey allocation was \$147,334, and performance-based pay was \$42,336. The FY 2008-09 supplemental bill for the Department made the following adjustments: 1) a one-time reduction of \$7,008 General Fund for Supplemental #13 - State Purchasing Office Personal Services Reallocation/Reduction (JBC Supplemental Recommendation document, January 29, 2009, p. 15); and 2) a one-time hiring freeze

savings reduction of \$174,563 through Supplemental #15 – FY 2008-09 Hiring Freeze Budget Reductions (JBC Supplemental Recommendation document, January 29, 2009, p. 16).

Upon separation of the Office of the State Controller from the State Purchasing Office, the total Long Bill appropriation for Personal Services in the Office of the State Controller for FY 2009-10 was \$2,405,853, which represented a 1.8 percent reduction to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's figure setting hearing and introduction of the Long Bill, therefore no reference document exists). For FY 2009-10, no salary survey or performance-based pay was requested or appropriated. Multiple August 24, 2009 budget reduction supplementals in other divisions affected the fund mix of the appropriation to this line, as it is the point in the Long Bill in which available indirect cost recoveries run out and any reductions to indirect cost recoveries in other divisions may be applied here, i.e., Reappropriated Funds are reduced in a particular DPA Program and converted to a General Fund savings by increasing OSC Reappropriated Funds and decreasing OSC General Fund. The total appropriation to this line item from the August 24, 2009 budget reduction supplementals was \$0 (\$99,908 GF increase / \$99,098 RF reduction). Other supplementals for FY 2009-10 included an increase of ARRA funds spending authority in the amount of \$578,187, a furlough reduction through S-NP: Statewide Furlough Impact in the amount of \$27,006, and refinancing of General Fund with indirect cost recoveries and cash funds rebates.

For FY 2010-11, \$2,454,819 was appropriated in the Long Bill which includes the restoration of the 1.8 percent, or \$44,059 General Fund reduction in FY 2009-10, \$62,648 for DI-1: FTE Reallocation, \$27,006 to reinstate the furlough reduction from S-NP: Statewide Furlough Impact, and various refinancing adjustments of General Fund to Reappropriated Funds due to the 5 percent operating reduction for \$9,467, annualization of S-1: Eliminate Communications Unit for \$22,833, annualization of S-2: Eliminate Public Relations Position for \$42,725, and annualization of S-4: Eliminate Talent Management Unit. Additionally, ARRA funding from S-NP: Statewide ARRA Administrative Cost Spending Authority was annualized, resulting in a reduction of \$578,187. The original funding from FY 2008-09 was rolled-forward for three years, however. Finally, a 2.5 percent reduction was taken due to approval of BA-NP: Statewide PERA Adjustment, in the amount of \$57,641 (JBC figure setting document for DPA, March 9, 2010, p. 78). Additionally, HB 10-1176 increased the appropriation by \$114,194, SB 10-207 increased the appropriation by \$20,900, and SB 10-143 increased the appropriation by \$1,000. House Bill 10-1404 and HB 10-1181 both refinanced the appropriations from General Fund to Reappropriated Funds in the amounts of \$33,220 and \$464,363, respectively. FY 2010-11 S-NP 4: 1% Across the Board Personal Services Reduction reduced the appropriation by \$14,802 (one-time), and included an offset of General Fund in the same amount due to savings of Indirect Costs in other line items affected by the same supplemental request. The FY 2011-12 Base Request is \$2,711,095. The addition of three FY 2011-12 decision items brings the November 1 Request to \$2,713,386 (DI-1: OSC Debt Issuance and Post Issuance Compliance for \$83,544, DI-NP 5: 2% Across the Board Personal Services Reduction, a reduction of \$32,606, and DI-NP 7: Statewide PERA Adjustment, a reduction of \$48,647). Additionally, SW DI-2: Printing of Statewide Warrants

and Mainframe Documents had a net \$0 impact, but did require a refinance. This appropriation is supported by General Fund, rebates received from the Procurement Card Program, and statewide indirect cost recoveries, as identified by Long Bill annotation.

OPERATING EXPENSES

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The Office of the State Controller was previously included in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group, however, the Department requested through a FY 2009-10 Decision Item that it be identified independent of Procurement Services in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement was renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-30-201 through 24-30-207, C.R.S., the State Controller is statutorily charged with managing the financial affairs of the State, which includes statewide financial reporting, policy and procedural guidance for financial administration, and internal control consulting for all State agencies including integrating procedures in a unified financial system, the Colorado Financial Reporting System. The Office of the State Controller implements the Legislative budget, maintains budgetary control, authorizes all State contracts through delegation or direct reviews, issues warrants for the State, provides specialized accounting services to state agencies, manages statewide central payroll operations, prepares the annual statewide indirect cost allocation plans (federal plan and budget/cash fees plan), and manages the Recovery Audit Program and the Contracts Management System. A primary responsibility of the State Controller is to approve directly or through delegation 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. This line item supports the operating expenses associated with the Office of the State Controller.

Funding for this recently separated line was not appropriated solely to the Office of the State Controller prior to FY 2009-10. However, for the formerly combined State Controller's Office and Procurement Services, Operating Expenses line, the base Long Bill appropriation for FY 2008-09 for this line was \$142,176. Senate Bill 07-228 – Vendor Performance State Contracts increased the appropriation by \$500 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 73). The FY 2008-09 supplemental bill for the Department made the following adjustments: 1) a \$1,637 General Fund as a result of Supplemental #6 –

State Purchasing Office Operating Expense Refinance (JBC Supplemental Recommendation document, January 29, 2009, p. 8); 2) a \$5,348 General Fund reduction as a result of Supplemental #10 – State Purchasing Office Operating Expenses Reduction (JBC Supplemental Recommendation document, January 29, 2009, p. 12); and 3) a \$7,663 General Fund reduction / \$6,990 reappropriated funds increase refinance as a result of Supplemental #11 (JBC Supplemental Recommendation document, January 29, 2009, p. 13). The final supplemental appropriation for this line item in FY 2008-09 was \$135,018.

Upon separation of the Office of the State Controller from the State Purchasing Office in FY 2009-10, the Long Bill appropriation for Operating Expenses in the Office of the State Controller was \$116,514, including an increase of \$838 for NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008 (Joint Budget Committee figure setting document for the Department, March 11, 2009, p. 84). Through the FY 2009-10 supplemental bill, an increase was appropriated in the amount of \$143,295 for S-NP: Statewide ARRA Administrative Cost Spending Authority, as well as a decrease of \$875 for S-2: Mail Equipment Upgrade (JBC Supplemental Recommendation document, January 19, 2010, p. 24 and p. 28). For FY 2010-11, the Long Bill appropriation was \$109,993 and included annualization of the ARRA funding appropriated in FY 2009-10, annualization of the mail equipment upgrade, a reduction of \$106, and a 5.0 percent operating expenses reduction of \$5,789 (JBC figure setting document for DPA, March 9, 2010, p. 79). House Bill 10-1176 increased the appropriation by \$18,522. Annualization of HB 10-1176 increased the appropriation by \$10,290. The FY 2011-12 Base Request was \$138,768. The November 1 Request is \$122,581 after a reduction of \$16,187 due to SW DI-2 / DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. The Long Bill appropriation is supported by Reappropriated Funds.

(B) STATE PURCHASING OFFICE

PERSONAL SERVICES

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The State Purchasing Office was previously included along with the Office of the State Controller in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group. The Department requested through a FY 2009-10 Decision Item that the State Purchasing Office be identified independent of the Office of the State Controller in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement has been renamed the Division of Accounts and Controls – Controller in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-101-101, et. seq. (Colorado Procurement Code), C.R.S., Procurement Services, operationally known as the State Purchasing Office, manages and oversees state procurement policy and processes. This line item and the associated appropriations of FTE and personal services funding support the 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, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability 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.

Funding for this recently restructured line was not appropriated solely to the State Purchasing Office prior to FY 2009-10. However, for the combined State Controller's Office and Procurement Services, Personal Services line, Senate Bill 07-228 – Monitoring Vendor Performance in State Contracts increased the FY 2008-09 appropriation by \$67,994, and a 1 percent OSPB reduction reduced the appropriation by \$30,805 to \$3,117,587 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 73). For FY 2008-09, the salary survey allocation \$147,334, and performance-based pay was \$42,336. The FY 2008-09 supplemental bill for the Department made the following adjustments: 1) a one-time reduction of \$7,008 General Fund for Supplemental #13 - State Purchasing Office Personal Services Reallocation/Reduction (JBC Supplemental Recommendation document, January 29, 2009, p. 15); and 2) a one-time hiring freeze savings reduction of \$174,563 through Supplemental #15 – FY 2008-09 Hiring Freeze Budget Reductions (JBC Supplemental Recommendation document, January 29, 2009, p. 16). The final supplemental appropriation for this line item in FY 2008-09 was \$2,935,507.

Upon separation of the Office of the State Controller from the State Purchasing Office, the total appropriation for Personal Services in the State Purchasing Office for FY 2009-10 is \$856,836. For FY 2009-10, no salary survey or performance-based pay was requested or appropriated (Joint Budget Committee figure setting document for the Department, March 11, 2009, p. 85). An August 24, 2009 budget reduction supplemental (Elimination State Purchasing Office Administrative Assistant II Position) permanently reduced this appropriation by \$38,796 and 1.0 FTE. Other FY 2009-10 supplemental adjustments included a reduction of \$26,956 for S-NP: Statewide Furlough Impact, \$821,632 for S-NP: Statewide ARRA Administrative Cost Spending Authority, and a reduction of \$21,779 for S-NP: ARRA Statewide Supplemental (JBC Supplemental Recommendation document, January 19, 2010, p. 28, p. 34). For FY 2010-11, restoration of the furlough adjustment in the amount of \$26,956 was implemented, as well as annualization of the ARRA supplemental, which was a reduction of \$799,853, and finally, a 2.5 percent reduction was taken due to approval of BA-NP: Statewide PERA Adjustment, in the amount of \$23,647 (JBC figure setting document for DPA, March 9, 2010, p. 79). The resulting FY 2010-11 appropriation was \$794,393. Annualization of FY 2010-11 BA-NP: Statewide PERA Adjustment increases the FY 2011-12 Base Request by \$23,647 and FY 2011-12 DI-NP 7: Statewide PERA Adjustment reduces the appropriation by \$17,042 for a

total FY 2011-12 November 1 Request of \$800,998. This appropriation is supported by rebates received from the Procurement Card Program, as identified by Long Bill annotation, and a transfer of funding from the University of Colorado, subsequent to HB 10-1181.

OPERATING EXPENSES

This Long Bill group was created in the FY 2009-10 Long Bill (SB 09-259). The State Purchasing Office was previously included along with the Office of the State Controller in the (5) Finance and Procurement, State Controller's Office and Procurement Services Long Bill group. The Department requested through a FY 2009-10 Decision Item that the State Purchasing Office be identified independent of the Office of the State Controller in order to mirror the operational structure of the Department. Under the current administration, the organizational and reporting structures changed so that the two entities operate independent of each other. The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. The Division of Finance and Procurement has been renamed the Division of Accounts and Controls – Controller, in the FY 2009-10 Long Bill, and State Buildings (renamed the Office of the State Architect) was transferred to the Executive Director's Office.

In accordance with Section 24-101-101, et. seq. (Colorado Procurement Code), C.R.S., Procurement Services, operationally known as the State Purchasing Office, manages and oversees state procurement policy and processes as defined above. This line item supports the operating expenses associated with Procurement Services.

Funding for this recently restructured line was not appropriated solely to the State Purchasing Office prior to FY 2009-10. However, for the combined State Controller's Office and Procurement Services, Operating Expenses line, Senate Bill 07-228 – Monitoring Vendor Performance of State Contracts increased the appropriation by \$500, for a total FY 2008-09 appropriation of \$142,676 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 73). The FY 2008-09 supplemental bill for the Department made the following adjustments: 1) a \$1,637 General Fund as a result of Supplemental #6 – State Purchasing Office Operating Expense Refinance (JBC Supplemental Recommendation document, January 29, 2009, p. 8); 2) a \$5,348 General Fund reduction as a result of Supplemental #10 – State Purchasing Office Operating Expenses Reduction (JBC Supplemental Recommendation document, January 29, 2009, p. 12); and 3) a \$7,663 General Fund increase / \$6,990 reappropriated funds reduction refinance as a result of Supplemental #11 (JBC Supplemental Recommendation document, January 29, 2009, p. 13). The final supplemental appropriation for this line item in FY 2008-09 was \$135,018.

Upon separation of the Office of the State Controller from the State Purchasing Office in FY 2009-10, the total appropriation for Operating Expenses in the State Purchasing Office was continuation funding in the amount of \$27,000. The FY 2009-10 supplemental bill included adjustments for spending authority in the amount of \$250,000 for a signing bonus rebate and interest from

procurement card rebates, as well as \$168,831 for S-NP: ARRA Statewide Supplemental (JBC Supplemental Recommendation document, January 19, 2010, p. 26 and p. 28). For FY 2010-11, spending authority in the amount of \$250,000 for repayment to the federal government and interest associated with a signing bonus rebate from procurement card rebates was approved, resulting in a Long Bill appropriation of \$277,000. The \$250,000 was transferred to the General Fund for budget balancing purposes (JBC figure setting document for DPA, March 9, 2010, p. 79). The total FY 2011-12 November 1 Request is \$27,049 after annualization, or elimination of the \$250,000 appropriation from FY 2010-11 BA: Federal portion of P-card signing bonus and interest, and the addition of \$49 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by rebates received from the Procurement Card Program, as identified by Long Bill annotation.

(C) SUPPLIER DATABASE

PERSONAL SERVICES

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 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. Effective FY 2009-10, SB 09-99 required the Department of Personnel and Administration to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors. The Supplier Database Program is funded with appropriations from the Supplier Database Cash Fund (Section 24-102-202.5 (2), C.R.S.), and the E-Procurement system is funded with appropriations from the Statewide E-Procurement Cash Fund. 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, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability 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 total appropriation for FY 2008-09 was \$190,584, slightly lower than the requested \$191,037, pursuant to common policy (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 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 Long Bill appropriation for FY 2009-10 was \$196,133 (Joint Budget Committee figure setting document for the Department, March 11, 2009, p. 87). Senate Bill 09-099 appropriated \$63,384 cash funds (vendor fees) to this line item for the purpose of implementing a centralized electronic procurement system. The total appropriation for FY 2009-10 is \$259,517. A FY 2009-10 supplemental adjustment included a reduction of \$1,632 for S-NP: Statewide Furlough Impact (JBC Supplemental Recommendation document, January 19, 2010, p. 34). For FY 2010-11, a \$52,162 cash funds increase (annualization) for SB 09-099 was incorporated into the Long Bill, as well as a reduction of \$69,780 for the OIT Statewide IT Staff Consolidation, and a reduction of \$1,326, or 2.5 percent due to approval of BA-NP: Statewide PERA Adjustment (JBC figure setting document for DPA, March 9, 2010, p. 81). For FY 2011-12, the November 1 Request is \$237,791 after annualization of FY 2010-11 BA – NP: Statewide PERA Adjustment, an increase of \$1,326, and FY 2011-12 DI-NP 7: Statewide PERA Adjustment, a reduction of \$4,108. This appropriation is supported by fees deposited into 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

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 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.), as well as E-Procurement. 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.), and the E-Procurement system is funded with appropriations from the Statewide E-Procurement Cash Fund. Effective FY 2009-10, SB 09-99 required the Department of Personnel and Administration to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors. This line item supports the operating expenses for the Supplier Database and the E-Procurement program.

Continuation funding for this line item was approved for FY 2008-09 in the amount of \$43,382 (JBC figure setting document for DPA, March 5, 2008, p. 75). For FY 2009-10, continuation funding was again approved in the Long Bill. Senate Bill 09-099 appropriated \$1,861,178 cash funds (vendor fees) to this line item for the purpose of implementing a centralized electronic procurement system. The total appropriation for FY 2009-10 was \$1,904,560. For FY 2010-11, a \$754,050 cash funds reduction (annualization) for SB 09-099 was included in figure setting for the Long Bill, resulting in a total Long Bill appropriation of \$1,150,510 (JBC figure setting document for DPA, March 9, 2010, p. 82). For FY 2010-11, NP-1331 Request: E-Procurement spending authority increased the appropriation by \$755,000. The FY 2011-12 November 1 Request is \$1,150,525 after an increase of

\$15 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is 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.

(D) COLLECTIONS SERVICES

PERSONAL SERVICES

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. Central Collection Services is statutorily responsible for providing debt collection services to state agencies and political sub-divisions through delegation by the Office of the State Controller. Central Collections Services provides this service at a fixed commission rate. Central Collections Services has a number of unique capabilities, including the state income tax refund 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 Central Collections Services at 30 days past due and debts are subsequently assigned to private collection companies at 180 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, the amortization equalization disbursement, supplemental amortization equalization disbursement, short-term disability 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.

A 1 percent 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 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 76). For FY 2008-09, the salary survey allocation was \$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, increased the appropriation by \$15,658. The Long Bill appropriation for FY 2009-10 is \$921,902, which represents a 1.8 percent reduction to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department's

figure setting hearing and introduction of the Long Bill, therefore no reference document exists). (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 88). A FY 2009-10 supplemental adjustment included a reduction of \$10,445 for S-NP: Statewide Furlough Impact (JBC Supplemental Recommendation document, January 19, 2010, p. 34). For FY 2010-11, \$916,562 was appropriated which includes restoration of the 1.8 percent Personal Services reduction, in the amount of \$16,775, taken in FY 2009-10, and a reduction of \$22,115 for BA-NP: Statewide PERA Adjustment (JBC figure setting document for DPA, March 9, 2010, p. 82). The FY 2011-12 November 1 Request is \$918,857, after annualization of FY 2010-11 BA - NP: Statewide PERA Adjustment, in the amount of \$22,115, and a reduction of \$19,819 due to FY 2011-12 DI-NP 7: Statewide PERA Adjustment. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

OPERATING EXPENSES

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 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 out year impact of FY 2007-08 Decision Item #4 – Collector Staff, November 1, 2006, reduced the FY 2008-09 appropriation by \$9,015, resulting in a total appropriation of \$349,085 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 76). For FY 2009-10, continuation funding was approved for the Long Bill (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 89). For FY 2010-11, continuation funding was again approved (JBC figure setting document for DPA, March 9, 2010, p. 82). The FY 2011-12 November 1 Request is \$349,159 after an increase of \$74 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

COLLECTION OF DEBTS DUE TO THE STATE OF COLORADO

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 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.

Continuation funding in the amount of \$20,702 was approved for FY 2008-09 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 76). For FY 2009-10, continuation funding was again approved (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 89). For FY 2010-11, continuation funding was again appropriated (JBC figure setting document for DPA, March 9, 2010, p. 83). The FY 2011-12 November 1 Request is \$20,702. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

PRIVATE COLLECTION AGENCY FEES

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 00-1451) by combining the Accounts and Control Division with the procurement functions from the Purchasing and State Buildings Division. 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.

Continuation funding in the amount of \$1,200,000 for this line item was approved for FY 2008-09 (Joint Budget Committee figure setting document for the Department, March 5, 2008, p. 76). For FY 2009-10, continuation funding was approved (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 89). For FY 2010-11, continuation funding was again approved, including the refinance of Reappropriated Funds to Cash Funds per HB 08-1320 (JBC figure setting document for DPA, March 9, 2010, p. 83). House Bill 10-1181 reduced the appropriation by \$94,864, to \$1,105,136. The FY 2011-12 November 1 Request is \$1,105,136. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

INDIRECT COST ASSESSMENT

The formerly named Division of Finance and Procurement was created in the 2000 Long Bill (HB 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 appropriation for this line item was increased for FY 2008-09 to \$260,606, consistent with statewide indirect cost recovery plan (Joint Budget Committee figure setting document for DPA, March 5, 2008, p. 76). For FY 2009-10, an appropriation of \$172,066 was approved (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 89). For FY 2010-11, the Department received an appropriation of \$342,534, as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 83). The FY 2011-12 November 1 Request is \$270,124 after an incremental adjustment (reduction) of \$72,410. This appropriation is supported by collection fees and receipts, as identified by Long Bill annotation.

(6) 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 out of its three offices (Denver, Colorado Springs and Grand Junction). The OAC conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, engineers, etc.); teacher dismissal cases, and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act. In addition, the OAC conducts mediations and settlement conferences. Prior to FY 2009-10, the Independent Ethics Commission (IEC) appropriation resided in the OAC Long Bill group. FY 2009-10 Decision Item #13 – FY 2009-10 Long Bill Realignment transferred the IEC to a newly created Long Bill group, “Constitutionally Independent Entities.”

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.

A 1 percent 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 Long Bill 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 was \$104,211, and performance-based pay was \$30,637. An increase of \$17,118 General Fund was appropriated for this line item through a September 2008 emergency supplemental (Independent Ethics Commission True-up). A negative supplemental reduced the appropriation by \$44,523 reappropriated funds, and \$6,845 General Fund, for hiring freeze savings (S-NP – Hiring Freeze Budget Reductions, January 15, 2009). The final appropriation for FY 2008-09 was \$3,135,849.

Decision Item #6 for FY 2009-10 – Office of Administrative Courts Staffing Adjustment, November 1, 2008, would have increased the appropriation by \$174,189, however, only 1.0 of the 2.0 FTE requested was funded. Decision Item #13 for FY 2009-10 – Long Bill Realignment transferred the Independent Ethics Commission share of personal services funding (\$80,047 GF) to the newly created, Independent Ethics Commission, Personal Services line item. Also in FY 2009-10, a \$26,000 reduction was requested and approved due to available funding from a vacancy. The total Long Bill and special bills appropriation for Personal Services for FY 2009-10 is \$3,232,317 which also reflects a 2.5 percent reduction to this line item as instituted by the Joint Budget Committee on most Personal Services line items with 20.0 or greater FTE (this reduction was applied after the Department’s figure setting hearing and introduction of the Long Bill, therefore no reference document exists). The appropriation for FY 2009-10 also includes a \$2,000 appropriation from House Bill 09-1326 – Integrity of Statewide Citizen-Initiated Petition Process. For FY 2009-10, no salary survey or performance-based pay was requested or appropriated. A FY 2009-10 supplemental adjustment included a reduction of \$36,497 for S-NP: Statewide Furlough Impact, for a final appropriation of \$3,195,820 (JBC Supplemental Recommendation document, January 19, 2010, p. 34). Restoration of the 2.5 percent personal services cut from FY 2009-10 in the amount of \$83,800 is requested for FY 2010-11. The Long Bill appropriation for FY 2010-11 is \$3,239,317, and includes annualization of HB 09-1320 and restores the 1.82 percent personal services reduction from FY 2009-10, in the amount of \$83,800 (JBC figure setting document for DPA, March 9, 2010, p. 84, and JBC staff comeback memo, March 18, 2010). Senate Bill 10-203 increased the appropriation by \$4,500. The FY 2011-12 November 1 Request is \$3,247,925, after annualization of FY 2010-11 BA - NP: Statewide PERA Adjustment for \$76,616, annualization of SB 10-203 - Independent Expenditures in Colorado Elections, a reduction of \$4,500, and a reduction of \$68,192 due to FY 2011-12 DI-NP 7: Statewide PERA Adjustment. This appropriation is 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 out of its three offices (Denver, Colorado Springs and Grand Junction). Prior to FY 2009-10, the Independent Ethics Commission (IEC) appropriation resided in the OAC Long Bill group. FY 2009-10 Decision Item #13 – FY 2009-10 Long Bill Realignment transferred the IEC to a newly created Long Bill group, “Constitutionally Independent Entities.”

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

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

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. An increase of \$10,579 General Fund was appropriated for this line item through a September 2008 emergency supplemental (Independent Ethics Commission True-up). A negative supplemental reduced the appropriation by \$44,523 reappropriated funds for hiring freeze savings (S-NP – Hiring Freeze Budget Reductions, January 15, 2009). The final appropriation for FY 2008-09 was \$3,135,849. The total appropriation for FY 2008-09 was \$166,731 (JBC figure setting document for DPA, March 5, 2008, p. 92). For FY 2009-10, two decision items were requested: NP Statewide Common Policy – Mail and Postage Increase, November 1, 2008, increased the appropriation by \$1,221, and Decision Item #6 - Office of Administrative Courts Staffing Adjustment, November 1, 2008, would have increased the appropriation by \$12,356, however only 1.0 of the 2.0 FTE requested was funded, and thereby the operating increase was only partially approved. Decision Item #13 for FY 2009-10 – Long Bill Realignment transferred the Independent Ethics Commission share of operating funding, \$11,144 General Fund, to the newly created, Independent Ethics Commission, Operating Expenses line item. Also in FY 2009-10, a \$16,634 reduction was requested and approved for general operating reductions. The combined Long Bill and special bills appropriation for FY 2009-10 was \$140,892. For FY 2010-11, the Long Bill appropriation was \$134,597 which includes an annualization (reduction) of \$5,228 from FY 2009-10 Decision Item #6 – Office of Administrative Courts Staffing Adjustment, as well as a reduction of \$1,221 due to annualization of the FY 2009-10 Mail and Postage Increase decision item, and an increase of \$154 for BA-1: Mail Equipment Upgrade (JBC figure setting document for DPA, March 9, 2010, p. 84). The November 1 Request for FY 2011-12 is \$392,946 after an increase of \$149 due to FY 2011-12 DI-NP 9: Printing of Statewide Warrants and Mainframe Documents, and an increase of \$258,200 for DI-NP 11: Repayment of Federal Participation in Fund 611 - Technical. This appropriation is 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 Long Bill 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, p. 92). For FY 2009-10, an appropriation of \$341,313 was approved (Joint Budget Committee figure setting document for DPA, March 11, 2009, p. 92). For FY 2010-11, the Department received an appropriation of \$258,320, as identified in the FY 2009-10 Statewide Indirect Cost Plan (JBC figure setting document for DPA, March 9, 2010, p. 85). The November 1 Request for FY 2011-12 is \$185,047 after an incremental base adjustment (reduction) of \$73,273. This appropriation is supported by user fees from state agencies and non-state agencies, as identified by Long Bill annotation.