

Department of Personnel and Administration
Schedule 10
FY 2012-13 Budget Request

Priority	Number	Division	Request	Requires Legislation?	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Decision Items										
1	R-1	All Divisions	Department-wide Line Item Consolidation	No	0.0	\$0	\$0	\$0	\$0	\$0
2	R-2	Division of Accounts and Controls	CUBS Replacement	No	0.0	\$300,000	\$0	\$300,000	\$0	\$0
3	R-3	Division of Human Resources	Training Services Funding	No	0.0	\$483,000	\$0	\$0	\$483,000	\$0
4	R-4	Office of Administrative Courts	Funding for Joint E-Filing System	No	0.0	\$416,975	\$0	\$0	\$416,975	\$0
5	R-5	Division of Central Services	Annual Fleet Replacement	No	0.0	(\$834,662)	\$0	\$0	(\$834,662)	\$0
Total - Decision Items					0.0	\$365,313	\$0	\$300,000	\$65,313	\$0
Base Reduction Items										
NP	BR - 1	Division of Central Services	Reduction of Mail Equipment	No	0.0	(\$109,888)	(\$109,888)	\$0	\$0	\$0
Total - Base Reduction Items					0.0	(\$109,888)	(\$109,888)	\$0	\$0	\$0
Non-Prioritized Items										
NP	NP - 1	Division of Central Services	Annual Fleet Replacement	No	0.0	(\$15,287)	\$0	\$0	(\$15,287)	\$0
NP	NP - 2	Division of Central Services	DOC - Parole Request	No	0.0	(\$31,770)	\$0	\$0	(\$31,770)	\$0
NP	NP - 3	Division of Central Services	EDW Transfer to OIT	No	0.0	(\$94,922)	\$0	\$0	(\$94,922)	\$0
Total Non-Prioritized Items					0.0	(\$141,979)	\$0	\$0	(\$141,979)	\$0
Grand Total November 1, 2011					0.0	\$113,446	(\$109,888)	\$300,000	(\$76,666)	\$0

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Line Item Consolidation

Priority Number: R-1

Dept. Approval by: *[Signature]* 10/11/11
Date

- | |
|--|
| <input checked="" type="checkbox"/> Decision Item FY 2012-13 |
| <input type="checkbox"/> Base Reduction Item FY 2012-13 |
| <input type="checkbox"/> Supplemental FY 2011-12 |
| <input type="checkbox"/> Budget Amendment FY 2012-13 |

OSPB Approval by: *[Signature]* 10/13/11
Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	56,155,941	-	56,593,982	-	-
	FTE	168.8	-	168.8	-	-
	GF	156,018	-	156,018	-	-
	GFE	-	-	-	-	-
	CF	400,185	-	358,989	-	-
	RF	55,599,738	-	56,078,975	-	-
	FF	-	-	-	-	-
(2) Division of Human Resources, (2) Training Services, Training Services	Total	143,958	-	145,707	47,987	47,987
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	52,963	-	21,856	7,199	7,199
	RF	90,995	-	123,851	40,788	40,788
	FF	-	-	-	-	-
(2) Division of Human Resources, (2) Training Services, Training Services Contingency Funds	Total	47,987	-	47,987	(47,987)	(47,987)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	17,655	-	7,199	(7,199)	(7,199)
	RF	30,332	-	40,788	(40,788)	(40,788)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Personal Services	Total	991,777	-	1,008,537	(1,008,537)	(1,008,537)
	FTE	20.6	-	20.6	(20.6)	(20.6)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	46,212	-	46,212	(46,212)	(46,212)
	RF	945,565	-	962,325	(962,325)	(962,325)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Personal Services Contingency Funds	Total	48,725	-	49,548	(49,548)	(49,548)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,311	-	2,311	(2,311)	(2,311)
	RF	46,414	-	47,237	(47,237)	(47,237)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Operating Expenses	Total	3,511,352	-	3,505,639	(3,505,639)	(3,505,639)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	118,129	-	118,129	(118,129)	(118,129)
	RF	3,393,223	-	3,387,510	(3,387,510)	(3,387,510)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Operating Expenses Contingency Funds	Total	175,567	-	175,567	(175,567)	(175,567)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	5,906	-	5,906	(5,906)	(5,906)
	RF	169,661	-	169,661	(169,661)	(169,661)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Indirect Cost Assessment	Total	158,482	-	286,746	(286,746)	(286,746)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	158,482	-	286,746	(286,746)	(286,746)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Personal Services	Total	3,239,019	-	3,274,107	(3,274,107)	(3,274,107)
	FTE	50.2	-	50.2	(50.2)	(50.2)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	40,340	-	40,674	(40,674)	(40,674)
	RF	3,198,679	-	3,233,433	(3,233,433)	(3,233,433)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Personal Services Contingency Funds	Total	320,089	-	323,556	(323,556)	(323,556)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	3,998	-	4,031	(4,031)	(4,031)
	RF	316,091	-	319,525	(319,525)	(319,525)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Operating Expenses	Total	606,216	-	606,216	(606,216)	(606,216)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	606,216	-	606,216	(606,216)	(606,216)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Utilities	Total	69,000	-	69,000	(69,000)	(69,000)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	69,000	-	69,000	(69,000)	(69,000)
FF	-	-	-	-	-	
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Indirect Cost Assessment	Total	211,542	-	329,263	(329,263)	(329,263)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	211,542	-	329,263	(329,263)	(329,263)
FF	-	-	-	-	-	
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Personal Services	Total	1,912,491	-	1,921,256	(1,921,256)	(1,921,256)
	FTE	42.8	-	42.8	(42.8)	(42.8)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	35,306	-	35,306	(35,306)	(35,306)
	RF	1,877,185	-	1,885,950	(1,885,950)	(1,885,950)
FF	-	-	-	-	-	
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Personal Services Contingency Funds	Total	95,166	-	95,602	(95,602)	(95,602)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,765	-	1,765	(1,765)	(1,765)
	RF	93,401	-	93,837	(93,837)	(93,837)
FF	-	-	-	-	-	
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses	Total	8,395,957	-	8,395,957	(8,395,957)	(8,395,957)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	72,000	-	72,000	(72,000)	(72,000)
	RF	8,323,957	-	8,323,957	(8,323,957)	(8,323,957)
FF	-	-	-	-	-	
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses Contingency Funds	Total	524,798	-	524,798	(524,798)	(524,798)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	3,600	-	3,600	(3,600)	(3,600)
	RF	521,198	-	521,198	(521,198)	(521,198)
FF	-	-	-	-	-	

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Reprographics Services, Mail Equipment Purchase	Total	333,642	-	333,642	(333,642)	(333,642)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(156,018)	(156,018)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	177,624 -	- -	177,624 -	(177,624) -	(177,624) -
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Indirect Cost Assessment	Total	226,720	-	304,556	(304,556)	(304,556)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	226,720 -	- -	304,556 -	(304,556) -	(304,556) -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Personal Services</i>	Total	-	-	-	6,672,606	6,672,606
	FTE	-	-	-	113.6	113.6
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	130,299	130,299
	RF FF	- -	- -	- -	6,542,307 -	6,542,307 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Operating Expenses</i>	Total	-	-	-	13,208,177	13,208,177
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	199,635	199,635
	RF FF	- -	- -	- -	13,008,542 -	13,008,542 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Utilities</i>	Total	-	-	-	69,000	69,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	69,000 -	69,000 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Mail Equipment Purchase</i>	Total	-	-	-	333,642	333,642
	FTE	-	-	-	-	-
	GF	-	-	-	156,018	156,018
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	177,624 -	177,624 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Indirect Cost Assessment</i>	Total	-	-	-	920,565	920,565
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	920,565 -	920,565 -

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Operating Expenses	Total	22,315,102	-	22,315,102	3,413,462	3,413,462
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	22,315,102	-	22,315,102	3,413,462	3,413,462
FF	-	-	-	-	-	
(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Operating Expenses Contingency Funds	Total	3,413,462	-	3,413,462	(3,413,462)	(3,413,462)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	3,413,462	-	3,413,462	(3,413,462)	(3,413,462)
FF	-	-	-	-	-	
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Personal Services	Total	2,657,907	-	2,709,583	(2,709,583)	(2,709,583)
	FTE	53.2	-	53.2	(53.2)	(53.2)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	2,657,907	-	2,709,583	(2,709,583)	(2,709,583)
FF	-	-	-	-	-	
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Operating Expenses	Total	1,703,575	-	1,703,575	(1,703,575)	(1,703,575)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,703,575	-	1,703,575	(1,703,575)	(1,703,575)
FF	-	-	-	-	-	
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Capitol Complex Repairs	Total	56,520	-	56,520	(56,520)	(56,520)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	56,520	-	56,520	(56,520)	(56,520)
FF	-	-	-	-	-	
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Security	Total	367,663	-	367,663	(367,663)	(367,663)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	367,663	-	367,663	(367,663)	(367,663)
FF	-	-	-	-	-	
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities	Total	3,420,028	-	3,420,028	(3,420,028)	(3,420,028)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	3,420,028	-	3,420,028	(3,420,028)	(3,420,028)
FF	-	-	-	-	-	

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Indirect Cost Assessment	Total	457,027	-	455,882	(455,882)	(455,882)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	457,027	-	455,882	(455,882)	(455,882)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Personal Services	Total	44,775	-	45,646	(45,646)	(45,646)
	FTE	1.0	-	1.0	(1.0)	(1.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	44,775	-	45,646	(45,646)	(45,646)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Operating Expenses	Total	76,873	-	76,873	(76,873)	(76,873)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	76,873	-	76,873	(76,873)	(76,873)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Utilities	Total	83,061	-	83,061	(83,061)	(83,061)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	83,061	-	83,061	(83,061)	(83,061)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Personal Services	Total	74,214	-	75,657	(75,657)	(75,657)
	FTE	1.0	-	1.0	(1.0)	(1.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	74,214	-	75,657	(75,657)	(75,657)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Operating Expenses	Total	103,586	-	103,586	(103,586)	(103,586)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	103,586	-	103,586	(103,586)	(103,586)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Utilities	Total	369,660	-	369,660	(369,660)	(369,660)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	369,660	-	369,660	(369,660)	(369,660)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Personal Services</i>	Total	-	-	-	2,830,886	2,830,886
	FTE	-	-	-	55.2	55.2
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	2,830,886	2,830,886
	FF	-	-	-	-	-
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Operating Expenses</i>	Total	-	-	-	1,884,034	1,884,034
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	1,884,034	1,884,034
	FF	-	-	-	-	-
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Repairs</i>	Total	-	-	-	56,520	56,520
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	56,520	56,520
	FF	-	-	-	-	-
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Security</i>	Total	-	-	-	367,663	367,663
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	367,663	367,663
	FF	-	-	-	-	-
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Utilities</i>	Total	-	-	-	3,872,749	3,872,749
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	3,872,749	3,872,749
	FF	-	-	-	-	-
<i>New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Indirect Cost Assessment</i>	Total	-	-	-	455,882	455,882
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	455,882	455,882
	FF	-	-	-	-	-
Letternote Text Revision Required for FY 2011-12? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> Letternote Text Revision Required for FY 2012-13? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> Cash or Federal Fund Name and COFRS Fund Number: N/A Reappropriated Funds Source, by Department and Line Item Name: Approval by OIT? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/> Schedule 13s from Affected Departments: N/A Other Information:						



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

*FY 2012-13 Decision Item
November 1, 2011*

**Department Priority: R - 1
Line Item Consolidation**

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Line Item Consolidation	\$0	\$0	0.0

Request Summary:

The Department requests consolidation of various line items within the Long Bill. The intent of this request is to allow the Department to more effectively and efficiently manage its annual appropriations from an administrative and programmatic perspective. Efficiencies realized will translate into better customer service, a department-wide objective of DPA. This request will have no fiscal impact.

The Department's FY 2011-12 Long Bill includes certain structural components that increase the administrative burden to the Department, reduce administrative flexibility, and provide no inherent benefit. Consolidating specific line items, as outlined within this document, would increase efficiency to the benefit of the customers of the Department, state agencies, without limiting the Department's ability to track and report as needed. This request is in three parts

Part I

Eliminate Contingency Funds line items and consolidate funding in:

(2) Division of Human Resources, (A) Human Resource Services,

(2) Training Services

(4) Division of Central Services, (B) Integrated Document Solutions

(1) Reprographics Services;

(2) Document Solutions Group;
(3) Mail Services

(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services

This request seeks to eliminate the Contingency Funds line item with the DHR Training Services, DCS Integrated Document Solutions, and DCS Fleet Management Program and Motor Pool Long Bill Groups. Contingency spending authority was originally granted within the original line item in lieu of continuous spending authority to address the Department's need to meet variable workload demands driven by customer agencies. Before contingency spending authority was appropriated, the Department was often put in the position of turning away work (providing waivers to allow agencies to outsource) that would exceed the Department's appropriation, causing agencies to spend their operating dollars externally to the State, and costing more in the long run. This is contrary to the Department's goal of reducing outsourcing as much as possible to save dollars statewide through economies of scale and centralization.

Since the contingency amounts were separated from their original line items, the Department can identify no desirable outcome for the distinct treatment. While the need for contingency

funding has been identified and supported in recent years, the actual separation of it into different line items is impractical.

What business constitutes “contingency” is very difficult or subjective to attempt to identify or isolate. For example, the Professional Development Center offers a finite number of courses, and there are no distinguishing characteristics between what services would be considered “contingency,” or base. The original reason for a contingency amount to be added to the base (before it was separated) was due to the possibility that demand for classes could grow in the future. While demand has grown over time, it is not due to special or unplanned offerings, but rather due to increasing demand statewide. The Department does not have a basis for dividing up which jobs or business should be assigned to a base line versus contingency, as all Departments participate in training annually and should not be treated differently in the budget.

Within Integrated Document Solutions, it is also not a meaningful exercise to compartmentalize some business into a contingency line item, while leaving the remaining in a base line item. While there certainly are particular jobs that recur from year to year and could be considered “base” jobs, there are also many one-time jobs that occur, but are replaced by more one-time jobs in the following year. Beyond these jobs, there is some natural growth in volume and business overall. It is impossible to establish a baseline for one past year, then designate what jobs qualify as “contingency” due to the fact that there no original definition for a baseline.

The contingency funds line item for Fleet Management is even less useful for tracking business above and beyond a baseline. The original contingency increase to the base line item was established to allow for as much as a \$1/gallon increase in fuel prices. It is unclear what the separated contingency line item is meant to capture now, as fuel has indeed increased since the contingency was added. There is no logical mechanism for separating out fuel contingency

costs, and no direction as to what constitutes “contingency” in this line item going forward.

In addition to the new workload that extra line items generate for programs to track and monitor, the accounting and budget demands have also increased. The amount of work required to reconfigure the set up of COFRS as well as program billings is cumbersome and unnecessary. Further, the addition of line items greatly increases the amount of work required by budget staff to assemble summary schedules for the budget submission.

Part II

Consolidate all like line items in:

(4) Division of Central Services, (B) Integrated Document Solutions

- (1) Reprographics Services;
- (2) Document Solutions Group;
- (3) Mail Services

This request seeks to consolidate the work units that comprise the Division of Central Services Integrated Document Solutions (IDS), Reprographics, Document Solutions Group, and Mail units. Industry trends have pushed the consolidation of these three units. Integrated Document Solutions had moved its primary focus to support the variable data printing and mailing needs of its agency partners. In this shift the print and mail organizations are now fully operational as one unit with only budgetary separation. The primary driver for this request is to streamline agency billing by allowing IDS to invoice customers with one comprehensive invoice and agency to pay these bills to one revenue source.

Added benefits include allowing for the necessary degree of operational flexibility. If the three work units are budgetarily combined, the resulting program flexibility will likely allow the three programs to be managed more effectively within existing total appropriated resources. A single program appropriation for these three units which would allow the opportunity to seamlessly address customer concerns and realize

efficiencies and savings without the need to submit multiple emergency supplemental requests and other change requests which provide unnecessary administrative burden and workload for the Department, along with Executive and Legislative Branch leadership.

Part III

Consolidate all like line items in:

(4) Division of Central Services, (D) Facilities Maintenance

- (1) Capitol Complex Facilities;
- (2) Grand Junction State Svcs. Building;
- (3) Camp George West

This request seeks to consolidate the work units that comprise DCS Facilities Maintenance. Although historically the relatively small operating and personal services Long Bill appropriations for Grand Junction and Camp George West have not allowed for the necessary degree of operational flexibility, if the three work units are budgetarily combined, the resulting program flexibility will likely allow the three programs to be managed effectively within existing total appropriated resources. This results primarily because the historic appropriations for Camp George West and Grand Junction have been at such a low base level that they provide limited flexibility to address the types of operational needs that routinely occur in facilities management. They do not provide the necessary flexibility in personal services base appropriations to fully address base personnel costs and professional and temporary services needs that may arise.

Anticipated Outcomes:

Currently, the Long Bill contains various line items that unnecessarily limit the Department's ability to manage its limited resources. Consolidation of those line items, at no cost, will:

- 1) Allow the Department to streamline agency billings and improve transparency by reflecting comprehensive services provided in one billing.

2) Not limit the ability of managers to deploy resources when workload fluctuates from similar, interdependent programs due to appropriation alone.

3) Prevent the need for late-year supplementals to address workload-driven emergencies in small line items, particularly when resources are already available in related line items.

Assumptions for Calculations:

This request does not entail adjustments to line item appropriation levels, but rather, realignment of those line items to better reflect current business practices. The specific changes by line item are reflected in Appendix 1 and the Schedule 13.

Consequences if not Funded:

Consequences of not eliminating contingency funds line items:

The Department will be forced to expense certain costs against the contingency funds line items for which the definition of "contingency" has not been established. While it is possible to divide expenses as needed to meet the multiple appropriations provided, there is no basis for doing so, as the definition of "contingency" is subjective and could be applied in multiple ways across multiple programs. The Department is concerned that by dividing expenses into separate line items as such will actually reduce transparency in the budget, leading to the impression that contingency is defined and treated consistently. As mentioned previously, it is not likely that a suitable definition for "contingency" even exists in a matter that can be applied to much of the business conducted by the Department year over year.

The workload for accounting and budget staff will be unnecessarily increased, causing several additional hours of work to update accounting coding and tracking, as well as revise and maintain budget schedules ongoing.

Consequences of not consolidating all like line items in:

(4) Division of Central Services, (B) Integrated Document Solutions

- (1) Reprographics Services;
- (2) Document Solutions Group;
- (3) Mail Services

Integrated Document Solutions will continue to bill agencies two or three times for one job, one covering all Reprographic expenses, one covering all Document Solutions expenses, and one for all Mail related expenses. IDS will be also limited in its ability to shift FTE resources across work units due to the need to track these costs in three different Organization Units.

Consequences of not consolidating all like line items in:

(4) Division of Central Services, (D) Facilities Maintenance

- (1) Capitol Complex Facilities;
- (2) Grand Junction State Svcs. Building;
- (3) Camp George West

When Capitol Complex originally requested and received approval in FY 2010-11 to combine the three appropriations: Denver, Grand Junction and Camp George West; the intent was to find a cost-neutral solution to address the underfunded Grand Junction budget. For FY 2011-12, the line items were again split out, as they were prior to consolidation. As a result of increases to service contracts, there are fewer funds available to maintain the Grand Junction facility. In response, the Grand Junction services have been reduced to stay within the allocated budget.

With the budgets separated and service contracts that have been reduced to the bare minimum to meet sanitary and life/safety standards; the Department anticipates overspending the FY 2011-12 Grand Junction appropriation by approximately 15% or \$12,000. This leaves no funding for day-to-day maintenance needs (i.e. light bulbs, air filters, plumbing parts, etc.); much

less building system failures that don't meet the Office of State Architects' emergency project criteria.

As part of a larger effort to increase the operational efficiency of State agencies, the Hickenlooper Administration has proposed several Long Bill line item consolidations in its FY 2012-13 budget request. These line item consolidations will allow Executive Branch departments both to respond more effectively to changes in their operating environment and to improve service to Colorado's citizens.

In the current environment, the separation of appropriations for personnel and operating expenses forces a perverse disincentive to efficiency. This prescriptive budgetary structure compels departments to eschew opportunities for more effective operations that may come through the exchange of operating expenses for personal services (or vice versa). These limitations frequently prohibit the timely replacement of aging equipment, restrict the implementation of time-saving technologies, facilitate circumstances that create backlogs, and allow for degradation in the level of service provided to Coloradans. Improving flexibility in this area is a critical component in allowing State government agencies to operate like private sector entities; as needs and circumstances change, so too can managerial decisions.

At the same time, however, merging personal services and operating expenses line items can certainly contribute to a limitation in budgetary transparency that is rightly unacceptable to the Legislature. For this reason, the FY 2012-13 budget request contains an unprecedented level of detail for review by the General Assembly. The Schedule 3 document contains a return to multi-year reporting of object code detail, which had been eliminated during the last three annual budget submissions. Moreover, each Executive Branch department has included a level of detail regarding the sources of its funding that has not existed in any previous budget submission. And, the Department of Personnel and Administration

has developed a new reporting mechanism that will provide the Legislature with new visibility into the use of Full-Time Equivalent positions (FTE) in the Executive Branch.

In addition, as the General Assembly agrees to collapse Personal Services and Operation Expenses line items in the FY 2012-13 Long Bill, OSPB will direct Executive Branch departments to provide specific, detailed reports in future budget submissions detailing the following:

- a specific reporting of how the department has expended Personal Services and Operating Expenses in two prior fiscal years;
- an estimate of how the department anticipates expending its Personal Services and Operating Expenses appropriations in the current fiscal year and the request year; and
- a narrative description of how the department has made use of its enhanced budgetary flexibility to improve service delivery to Colorado's citizens.

Impact to Other State Government Agency:

This request does not have a direct budgetary impact to other state government agencies, however, all agencies doing business with DPA in the programs described here will benefit from increased efficiency and responsiveness from DPA.

Cash Fund Projections:

N/A – this request does not propose an increase or decrease to cash fund appropriations or fees.

Relation to Performance Measures:

This request supports the following Objectives:

DCS:

Objective - Maintaining strategic partnership with customers by exceeding their expectations based upon surveys of their overall satisfaction.

Objective - Reduce Cost to State Government Through Improved Business Processes.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

N/A – this request is a Decision Item.

Current Statutory Authority or Needed Statutory Change:

No statutory changes will be necessary to allow for consolidation of the line items described in this request.

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Line Item Consolidation

Priority Number: R-1

Dept. Approval by: *[Signature]* 10/11/11
Date

- | |
|--|
| <input checked="" type="checkbox"/> Decision Item FY 2012-13 |
| <input type="checkbox"/> Base Reduction Item FY 2012-13 |
| <input type="checkbox"/> Supplemental FY 2011-12 |
| <input type="checkbox"/> Budget Amendment FY 2012-13 |

OSPB Approval by: *[Signature]* 10/13/11
Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	56,155,941	-	56,593,982	-	-
	FTE	168.8	-	168.8	-	-
	GF	156,018	-	156,018	-	-
	GFE	-	-	-	-	-
	CF	400,185	-	358,989	-	-
	RF	55,599,738	-	56,078,975	-	-
	FF	-	-	-	-	-
(2) Division of Human Resources, (2) Training Services, Training Services	Total	143,958	-	145,707	47,987	47,987
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	52,963	-	21,856	7,199	7,199
	RF	90,995	-	123,851	40,788	40,788
	FF	-	-	-	-	-
(2) Division of Human Resources, (2) Training Services, Training Services Contingency Funds	Total	47,987	-	47,987	(47,987)	(47,987)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	17,655	-	7,199	(7,199)	(7,199)
	RF	30,332	-	40,788	(40,788)	(40,788)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Personal Services	Total	991,777	-	1,008,537	(1,008,537)	(1,008,537)
	FTE	20.6	-	20.6	(20.6)	(20.6)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	46,212	-	46,212	(46,212)	(46,212)
	RF	945,565	-	962,325	(962,325)	(962,325)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Personal Services Contingency Funds	Total	48,725	-	49,548	(49,548)	(49,548)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,311	-	2,311	(2,311)	(2,311)
	RF	46,414	-	47,237	(47,237)	(47,237)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Operating Expenses	Total	3,511,352	-	3,505,639	(3,505,639)	(3,505,639)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	118,129	-	118,129	(118,129)	(118,129)
	RF	3,393,223	-	3,387,510	(3,387,510)	(3,387,510)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Operating Expenses Contingency Funds	Total	175,567	-	175,567	(175,567)	(175,567)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	5,906	-	5,906	(5,906)	(5,906)
	RF	169,661	-	169,661	(169,661)	(169,661)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics Services, Indirect Cost Assessment	Total	158,482	-	286,746	(286,746)	(286,746)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	158,482	-	286,746	(286,746)	(286,746)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Personal Services	Total	3,239,019	-	3,274,107	(3,274,107)	(3,274,107)
	FTE	50.2	-	50.2	(50.2)	(50.2)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	40,340	-	40,674	(40,674)	(40,674)
	RF	3,198,679	-	3,233,433	(3,233,433)	(3,233,433)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Personal Services Contingency Funds	Total	320,089	-	323,556	(323,556)	(323,556)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	3,998	-	4,031	(4,031)	(4,031)
	RF	316,091	-	319,525	(319,525)	(319,525)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Operating Expenses	Total	606,216	-	606,216	(606,216)	(606,216)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	606,216	-	606,216	(606,216)	(606,216)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Utilities	Total	69,000	-	69,000	(69,000)	(69,000)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	69,000	-	69,000	(69,000)	(69,000)
FF	-	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (2) Document Solutions Group, Indirect Cost Assessment	Total	211,542	-	329,263	(329,263)	(329,263)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	211,542	-	329,263	(329,263)	(329,263)
FF	-	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Personal Services	Total	1,912,491	-	1,921,256	(1,921,256)	(1,921,256)
	FTE	42.8	-	42.8	(42.8)	(42.8)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	35,306	-	35,306	(35,306)	(35,306)
	RF	1,877,185	-	1,885,950	(1,885,950)	(1,885,950)
FF	-	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Personal Services Contingency Funds	Total	95,166	-	95,602	(95,602)	(95,602)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,765	-	1,765	(1,765)	(1,765)
	RF	93,401	-	93,837	(93,837)	(93,837)
FF	-	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses	Total	8,395,957	-	8,395,957	(8,395,957)	(8,395,957)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	72,000	-	72,000	(72,000)	(72,000)
	RF	8,323,957	-	8,323,957	(8,323,957)	(8,323,957)
FF	-	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses Contingency Funds	Total	524,798	-	524,798	(524,798)	(524,798)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	3,600	-	3,600	(3,600)	(3,600)
	RF	521,198	-	521,198	(521,198)	(521,198)
FF	-	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Reprographics Services, Mail Equipment Purchase	Total	333,642	-	333,642	(333,642)	(333,642)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(156,018)	(156,018)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	177,624 -	- -	177,624 -	(177,624) -	(177,624) -
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Indirect Cost Assessment	Total	226,720	-	304,556	(304,556)	(304,556)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	226,720 -	- -	304,556 -	(304,556) -	(304,556) -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Personal Services</i>	Total	-	-	-	6,672,606	6,672,606
	FTE	-	-	-	113.6	113.6
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	130,299	130,299
	RF FF	- -	- -	- -	6,542,307 -	6,542,307 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Operating Expenses</i>	Total	-	-	-	13,208,177	13,208,177
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	199,635	199,635
	RF FF	- -	- -	- -	13,008,542 -	13,008,542 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Utilities</i>	Total	-	-	-	69,000	69,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	69,000 -	69,000 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Mail Equipment Purchase</i>	Total	-	-	-	333,642	333,642
	FTE	-	-	-	-	-
	GF	-	-	-	156,018	156,018
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	177,624 -	177,624 -
<i>New Line Item: (4) Division of Central Services, (B) Integrated Document Solutions, Indirect Cost Assessment</i>	Total	-	-	-	920,565	920,565
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF FF	- -	- -	- -	920,565 -	920,565 -

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Operating Expenses	Total	22,315,102	-	22,315,102	3,413,462	3,413,462
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	22,315,102	-	22,315,102	3,413,462	3,413,462
FF	-	-	-	-	-	-
(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Operating Expenses Contingency Funds	Total	3,413,462	-	3,413,462	(3,413,462)	(3,413,462)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	3,413,462	-	3,413,462	(3,413,462)	(3,413,462)
FF	-	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Personal Services	Total	2,657,907	-	2,709,583	(2,709,583)	(2,709,583)
	FTE	53.2	-	53.2	(53.2)	(53.2)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	2,657,907	-	2,709,583	(2,709,583)	(2,709,583)
FF	-	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Operating Expenses	Total	1,703,575	-	1,703,575	(1,703,575)	(1,703,575)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,703,575	-	1,703,575	(1,703,575)	(1,703,575)
FF	-	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Capitol Complex Repairs	Total	56,520	-	56,520	(56,520)	(56,520)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	56,520	-	56,520	(56,520)	(56,520)
FF	-	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Security	Total	367,663	-	367,663	(367,663)	(367,663)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	367,663	-	367,663	(367,663)	(367,663)
FF	-	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities	Total	3,420,028	-	3,420,028	(3,420,028)	(3,420,028)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	3,420,028	-	3,420,028	(3,420,028)	(3,420,028)
FF	-	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Indirect Cost Assessment	Total	457,027	-	455,882	(455,882)	(455,882)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	457,027	-	455,882	(455,882)	(455,882)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Personal Services	Total	44,775	-	45,646	(45,646)	(45,646)
	FTE	1.0	-	1.0	(1.0)	(1.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	44,775	-	45,646	(45,646)	(45,646)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Operating Expenses	Total	76,873	-	76,873	(76,873)	(76,873)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	76,873	-	76,873	(76,873)	(76,873)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (2) Grand Junction State Services Building, Utilities	Total	83,061	-	83,061	(83,061)	(83,061)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	83,061	-	83,061	(83,061)	(83,061)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Personal Services	Total	74,214	-	75,657	(75,657)	(75,657)
	FTE	1.0	-	1.0	(1.0)	(1.0)
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	74,214	-	75,657	(75,657)	(75,657)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Operating Expenses	Total	103,586	-	103,586	(103,586)	(103,586)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	103,586	-	103,586	(103,586)	(103,586)
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (3) Camp George West, Utilities	Total	369,660	-	369,660	(369,660)	(369,660)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	369,660	-	369,660	(369,660)	(369,660)
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Personal Services	Total	-	-	-	2,830,886	2,830,886
	FTE	-	-	-	55.2	55.2
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	2,830,886	2,830,886
	FF	-	-	-	-	-
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Operating Expenses	Total	-	-	-	1,884,034	1,884,034
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	1,884,034	1,884,034
	FF	-	-	-	-	-
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Repairs	Total	-	-	-	56,520	56,520
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	56,520	56,520
	FF	-	-	-	-	-
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Security	Total	-	-	-	367,663	367,663
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	367,663	367,663
	FF	-	-	-	-	-
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Capitol Complex Utilities	Total	-	-	-	3,872,749	3,872,749
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	3,872,749	3,872,749
	FF	-	-	-	-	-
New Line Item: (4) Division of Central Services, (D) Facilities Maintenance, Indirect Cost Assessment	Total	-	-	-	455,882	455,882
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	455,882	455,882
	FF	-	-	-	-	-
Letternote Text Revision Required for FY 2011-12? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> Letternote Text Revision Required for FY 2012-13? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> Cash or Federal Fund Name and COFRS Fund Number: N/A Reappropriated Funds Source, by Department and Line Item Name: Approval by OIT? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/> Schedule 13s from Affected Departments: N/A Other Information:						

Line Item Consolidation

Appendix 1 - Line Item Change Detail

Current	Proposed
<p>(2) Division of Human Resources (A) Human Resource Services (2) Training Services Training Services Training Services Contingency Funds</p> <p>(4) Central Services</p>	<p>(A) Human Resource Services Training Services</p>
<p>(B) Integrated Document Solutions (1) Reprographics Services Personal Services Personal Services Contingency Funds Operating Expenses Operating Expenses Contingency Funds Indirect Cost Assessment</p> <p>(2) Document Solutions Group Personal Services Personal Services Contingency Funds Operating Expenses Utilities Indirect Cost Assessment</p> <p>(3) Mail Services Personal Services Personal Services Contingency Funds Operating Expenses Operating Expenses Contingency Funds Mail Equipment Purchase Indirect Cost Assessment</p>	<p>(B) Integrated Document Solutions Personal Services Operating Expenses Utilities Mail Equipment Purchase Indirect Cost Assessment</p>
<p>(C) Fleet Management Program and Motor Pool Services Operating Expenses Operating Expenses Contingency Funds</p>	<p>Operating Expenses</p>
<p>(D) Facilities Maintenance (1) Capitol Complex Facilities Personal Services Operating Expenses Capitol Complex Repairs Capitol Complex Security Utilities Indirect Cost Assessment</p> <p>(2) Grand Junction State Services Building Personal Services Operating Expenses Utilities</p> <p>(3) Camp George West Personal Services Operating Expenses Utilities</p>	<p>(D) Facilities Maintenance Personal Services Operating Expenses Capitol Complex Repairs Capitol Complex Security Utilities Indirect Cost Assessment</p>

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Replacement of CUBS Collection System
 Priority Number: R-2

Dept. Approval by: *John C. Zymer* 9/10/11
 Date
 OSPB Approval by: *Earl N. Schell* 10/14/11
 Date

- Decision Item FY 2012-13
 Base Reduction Item FY 2012-13
 Supplemental FY 2011-12
 Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
	Fund	1 Appropriation FY 2011-12	2 Supplemental Request FY 2011-12	3 Base Request FY 2012-13	4 Funding Change Request FY 2012-13	6 Continuation Amount FY 2013-14
Total of All Line Items	Total	349,085	-	349,085	300,000	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	349,085	-	349,085	300,000	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Accounts and Control - Controller, (D) Collections Services, Operating Expenses	Total	349,085	-	349,085	300,000	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	349,085	-	349,085	300,000	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: #604 Central Collections Fund
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information:



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

*FY 2012-13 Funding Request
November 1, 2011*

**Department Priority: R-2
Replacement of CUBS Collection System**

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Replacement of CUBS Collection System	\$300,000	\$0	0.0

Request Summary:

The Department requests \$300,000 cash funds spending authority (Central Collections Fund) for replacement of the current collections system with a comprehensive Debt Collection Management System. Central Collection Services (CCS) has used the same system for over 25 years to track collections data. Over time, the current system has become antiquated and difficult to maintain. In addition, the business needs of the unit and the software applications have changed. Current options offer a fully developed Commercial Off-the-Shelf (COTS), configurable web-based solution. The Department will submit a Request for Proposal to contract with a Debt Collection Application vendor who will develop a collections database that will more effectively serve the needs of the State.

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 Collection Services provides this service at a fixed commission rate. Central Collection Services has a number of unique capabilities, including the state income tax and vendor intercept programs, access to wage and employment information through the Department of Labor and Employment, as well as access to Department of Revenue Motor Vehicle information, none of which are afforded to

private collection companies. The Unit is also responsible for the distribution and management of state debts to awarded private collection companies and private collection counsel for the State. Statute requires the referral of debt to Central Collection 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.

Central Collection Services uses a Debt Collection Application to manage the accounts assigned. This application contains information regarding the account itself, the debtor, the client assigning the account to Central Collection Services, contact information and standard practices information such as interest rates, statute of limitations and commission rates. The system adds a collection fee and interest to the account based on information in the control record. The volume of collection accounts fluctuates throughout the year with an average volume of 46,511 accounts per year over the last six years.

The State's current collections system is over 25 years old. The system was an "off-the-shelf" program that has taken considerable time and effort to tailor to the State's specific needs. The program has outlived its useful life cycle as it

utilizes an older “PIC” language which hampers the Department’s ability to find adequate support and has become increasingly difficult and costly. The current vendor recently advised that they no longer offer this product and may discontinue being able to service it within the next few years. The vendor recently advised the state they would no longer support modem access, requiring the state to explore internal options to provide client access to system information. The current vendor does have a new updated product that was included in the RFI completed last year.

The Department has worked with OIT and other stakeholders to define the system requirements and a statement of work for the Request for Proposal and will continue to work with OIT through project test and implementation period. Implementation of a comprehensive Debt Collection Management System that will be used by Central Collection Services directly supports the Department’s Mission and its Action Goals. By improving the State’s ability to manage its debt collection, the Department will be enhancing efficiencies and creating cost savings by effectively obtaining past due funds on behalf of State Agencies.

The Request for Proposal solicitation facilitates the Department’s effort to acquire a comprehensive collections management system. Such a system would internally house a fully developed solution that will enable the State to manage its debt collection, client management and associated account information. The solution must be a tested and proven Commercial Off-the-Shelf (COTS) web-based system, capable of managing all aspects of debt collection mentioned in the bullet points above.

Once a contract is awarded, Central Collection Services will begin the project implementation phase in which the vendor will develop the system described in the Request for Proposal. Other OIT resources will likely be requested for the implementation phase, depending on the results of the procurement phase.

Alternatives considered by the Department are included in Table 1.0 of Appendix 1.

In summary, spending authority in the amount of \$300,000 cash funds will allow the Department to replace its current 25 year old collections system with a comprehensive Debt Collection Management System. The current antiquated system will be replaced by a fully developed Commercial Off-the-Shelf (COTS), configurable web-based solution.

Anticipated Outcomes:

The new system would allow the State to update the software which will result in a lower cost of maintenance and readily available support. In addition, the Department believes the new software would also do the following:

- Allow Central Collections to provide much better service and support to client agencies by focusing on other aspects besides manually providing the information about their accounts;
- Provide clients with much better reporting functionality, including the ability to obtain immediate, real-time information online about their accounts;
- Provide a comprehensive system to manage all aspects of debt collection on behalf of a wide variety of State Agencies and types of debt;
- Track client information for remittance and reporting processes;
- Ability to track overall and individual statistics and information for a wide variety of reporting and management needs;
- Ability to automate a variety of processes, such as posting, loading new assignments, generation of reports, both ad hoc and regularly scheduled.

Assumptions for Calculations:

Contractor Costs: \$300,000

\$300,000 is requested based on a similar cost for the Contract Management System (CMS). The

Contract Management System was approximately \$280,000, and is the most similar Commercial Off-the-Shelf system the Department is aware of for comparison. The RFI did not yield any estimates for such a system. The Department assumes the following components will be needed (the same components that were included in CMS):

- Purchase of the new system;
- Conversion from the old system;
- A small amount of customization (i.e., ability to pull forms); and
- Training

Ongoing costs for licensing and maintenance for the new system are estimated to be no greater than the existing cost of the current system (CUBS), so no additional costs are anticipated. It is not expected that support above and beyond what is currently provided will be needed.

Consequences if not Funded:

If not funded, Central Collection Services will be forced to continue to use the current system that does not sufficiently meet the functional requirements of Central Collection Services. The current system is much more difficult to use than a replacement would be, maintenance is cumbersome, and customization is complicated. The current system utilized outdated technology and support is complex, due to the use of outdated software tools and platforms. The current system is based on an antiquated “PIC” language that makes querying difficult and requires extensive assistance from the vendor to extract information.

The challenges of the current system not only affect the Department’s operation but those of its clients as well. Several Higher Education Institutions have begun privatizing their collections with private collection agencies in lieu of using Central Collection Services, citing difficulty in obtaining information as one of the major reasons, since they are unable to go on-line to check on accounts in Central Collection

Services’ system and must try to call on the phone to obtain the information they need.

Results from the Request for Information indicated that an Off-the-Shelf solution was the only feasible option for managing collection accounts. Without such a system, the alternative would be to manage the accounts by hand, for which resources do not exist and the potential for error would be greater.

Impact to Other State Government Agency:

This request will have no impact on the appropriations for other government agencies. However, the ability of Central Collection Services to have a reliable collections data tracking system will benefit all agencies that utilize Central Collection Services, by creating accurate and timely debt collection information and enabling the efficient recovery of funds owed to the State.

Cash Fund Projections (including Decision Item):

Cash Fund Name	FY 11 End of Year Cash Balance	FY 12 End of Year Cash Balance Estimate	FY 13 End of Year Cash Balance Estimate	FY 14 End of Year Cash Balance Estimate
Central Collections	\$458,090	\$335,808	\$281,160	\$281,160

Relation to Performance Measures:

This request supports the Department’s Objective of: Enhancing Collection processes to increase collection revenue.

Performance Measure
Increase net recoveries in terms of dollars collected. Benchmark is at least prior year actual.

Out-come	FY 10 Actual	FY 11 Actual	FY 12 Appropriation	FY 13 Request
Benchmark	\$14,710,345	\$15,545,905	\$17,086,301	TBD

Out-come	FY 10 Actual	FY 11 Actual	FY 12 Appropriation	FY 13 Request
Actual	\$15,545,905	\$17,086,301	TBD	TBD

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

N/A – this request is a Decision Item.

Current Statutory Authority or Needed Statutory Change:

No statutory changes will be necessary to 24-30-202.4., C.R.S. to allow for the additional funding from the Central Collections Fund.

Appendix 1

Table 1.0 – Alternatives Considered

Alternatives	Cost	Benefit
Do Not Replace CUBS Collections System	<ul style="list-style-type: none"> • \$0 cash funds • Loss of productivity among Central Collection Services and OIT staff due to the amount of time required to trouble-shoot, resolve technical issues, generate useful reports, maintain, and support the current CUBS system. • Increased risk of system failure the longer a replacement is deferred, resulting in the potential for loss of critical collections data and inability to collect debts owed to the State. • Increased client frustration with the limited resources, which may result in more agencies pursuing other means of collections, including outsourcing to private agencies, at greater cost to debtors and agencies. 	<ul style="list-style-type: none"> • Spending authority associated with any change requests will not be granted in the requested fiscal year.
Replace CUBS Collections System	<ul style="list-style-type: none"> • \$300,000 cash funds spending authority 	<ul style="list-style-type: none"> • Revenues already exist to support the appropriation; only spending authority is requested. • Improved productivity among Central Collection Services and OIT staff due to a reduction in the amount of time associated with trouble-shooting, resolving technical issues, generating useful reports, maintenance, and support of the current CUBS system. • Potential reduction in ongoing maintenance and support costs associated with current system however, any reduction would not be known until after submitted proposals are evaluated.

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Replacement of CUBS Collection System
 Priority Number: R-2

Dept. Approval by: *John C. [Signature]* 9/10/11
 Date
 OSPB Approval by: *Earl N. [Signature]* 10/14/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	349,085	-	349,085	300,000	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	349,085	-	349,085	300,000	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Division of Accounts and Control - Controller, (D) Collections Services, Operating Expenses	Total	349,085	-	349,085	300,000	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	349,085	-	349,085	300,000	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: #604 Central Collections Fund
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information:

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Training Services Funding

Priority Number: R-3

Dept. Approval by: *[Signature]* 10/11/11
 Date

OSPB Approval by: *[Signature]* 10/14/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	145,707	-	145,707	483,000	483,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	53,917	-	53,917	-	-
	RF	91,790	-	91,790	483,000	483,000
	FF	-	-	-	-	-
(2) Division of Human Resources, (A) Human Resource Services, (2) Training Services, Training Services	Total	145,707	-	145,707	483,000	483,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	53,917	-	53,917	-	-
	RF	91,790	-	91,790	483,000	483,000
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: Professional Development Cash Fund, 22Y

Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2012-13 Funding Request
November 1, 2011*

Kathy Nesbitt
Executive Director

**Department Priority: R - 3
Training Services Funding**

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Training Services Funding	\$483,000	\$0	0.0

Request Summary:

The Department of Personnel and Administration is requesting \$483,000 in Reappropriated Funds spending authority to augment the State's current training capacity by expanding services offered to State agencies and employees.

In FY 2010-11, the Department approved approximately \$483,000 in training waivers to individual State agencies because the program did not have sufficient spending authority to provide the training. Given that the State already has the infrastructure in place to administer these trainings, the Department believes that providing these trainings through the existing infrastructure will increase efficiencies statewide as well as maximize the use of existing resources.

The Department is requesting \$483,000 in Reappropriated Funds spending authority to fulfill the needs of state agencies for the majority of the training that can be administered effectively by the Department of Personnel and Administration. This funding will be used to expand course offerings and increase the frequency with which critical courses are offered.

The current level of funding is well short of what the Department could provide to other State agencies. This need is best shown by the number of training waivers the Department has provided to other State agencies for modules or classes that could have been performed by the State through

the Training Services program. The Department has approved approximately \$483,000 in training waivers to individual State agencies because it did not have sufficient spending authority to provide the training.

Pursuant to Section 24-50-122, C.R.S., the Training Services Program provides training courses that include topics such as supervision, project management, leadership, diversity, conflict resolution, business writing, computer skills, change management, customer service, violence prevention, and performance management to state employees. The Training Program is an effective program because it is able to provide high quality courses tailored to the specific needs of State employees. Many courses offered by external vendors, such as Fred Pryor, Skill Soft, or Franklin Covey, would need extensive refitting in order to meet the unique needs of state employees, particularly in the area of supervision. In the past, when training vendors were asked to customize sessions for State employees, thus creating training comparable to that offered by Training Services, the cost of such sessions increased tremendously. Additionally, State employees who attended generic outside training frequently were required to later attend state-specific training in order to get the guidance needed to perform their functions effectively. Training Services is particularly effective at targeting its offerings to the needs of state

employees due to its familiarity with systemic changes in aspects that might include software changes or performance management. This familiarity allows Training Services to adapt trainings in a timely manner in order to keep the state's workforce trained in the most relevant areas without costly and time consuming advance research.

In addition to providing highly tailored training for State employees, the Training Services Program has been able to leverage the size of the state's workforce to provide cost-effective training which is on par with courses offered by private industry. By consolidating classes across departments and managing registrations, the Training Services Program is able to provide the highly tailored courses at prices comparable to private vendors.

Appropriation History

During JBC Figure Setting for the FY 2009-10 Long Bill, JBC approved a contingency amount be included in the line item in case the demand for training services exceeded funding levels during the fiscal year.

The fact that the Department continues to approve approximately \$483,000 in training waivers despite the contingency included within the line item demonstrates a need for additional spending authority to increase statewide efficiencies and maximize the use of existing resources.

The majority of the funding for the Training Services Program is from funds already appropriated to other State agencies. As a result, and because individual departments choose to send their employees to the trainings offered by the Training Services Program, the appropriation of the \$483,000 in Reappropriated Funds spending authority does not increase the amount of funding appropriated Statewide, nor does it represent an increase in costs in aggregate.

Potential Alternatives

The current request seeks additional spending authority to provide trainings to state agencies in

a more cost effective manner than allowing those agencies to enroll in trainings provided by companies generally seeking a profit by continuing to approve waivers. To the extent that state agencies will always require certain training courses, and that utilizing the most cost effective solution is generally the most desirable solution, there is little, if any room, for an alternative resolution.

Summary

In short, this request seeks the \$483,000 in Reappropriated Funds spending authority to expand the Department's Training Services capacity. The Department believes that providing these trainings through the existing infrastructure will increase efficiencies statewide as well as maximize the use of existing resources.

Anticipated Outcomes:

If this request is approved, the Department of Personnel and Administration will be able to address the statewide need for training. Waivers for use of external training programs by agencies will be diminished, and trainings will be provided in a more cost effective manner across the state.

Assumptions for Calculations:

The Department granted approximately \$483,000 in training waivers in FY 2010-11. The Department has based its request of \$483,000 in additional spending authority on the amount of waivers granted in FY 2010-11. The Department's request is for the spending authority that would be required to satisfy the State's need for training. The waivers included were only those that the Department could have provided due to its normal course of business. Therefore, training waivers for highly-specialized trainings (heavy equipment, self-defense, etc.) were excluded from this calculation. The Department only has one full fiscal year of information on the value of waivers granted, but is continuing to track this information.

Consequences if not Funded:

If this request is not funded, the State as whole will pay more for trainings than they would if the

Training Services Program had the spending authority to offer additionally trainings. This is because the State does not seek a profit or pay taxes, and therefore, all else being equal, the Training Services program within the Department is able to provide trainings at a lower cost to the state. The State will not be maximizing its current resources as the program has the capacity to serve its customers with the current resources, but simply lacks the spending authority necessary to do so. Furthermore, as the need for training specific to state employees must be met, individual departments may be placed in the position of adding employees to meet this need, and the state will miss an opportunity to realize the efficiency of providing this service centrally through Training Services.

Impact to Other State Government Agency:

This request will impact State agencies to the extent that they choose to utilize the Training Services Program. However, as this decision is at their discretion and is a function of hiring and relative need, the Department does not have the ability to reliably forecast expenditures or cash funds splits for each agency.

Cash Fund Projections:

Not Applicable.

Relation to Performance Measures:

Performance Measure	Outcome	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request
Increase percentage of state employees receiving training by 3%.	Benchmark	11.6%	14.6%	17.6%
	Actual	9.0%	TBD	TBD

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

Not Applicable.

Current Statutory Authority or Needed Statutory Change:

24-50-122, C.R.S. – This statute makes the state personnel director responsible for establishing and maintaining training services for employees in the state personnel system.

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Training Services Funding

Priority Number: R-3

Dept. Approval by: *[Signature]* 10/11/11
 Date

OSPB Approval by: *[Signature]* 10/14/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	145,707	-	145,707	483,000	483,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	53,917	-	53,917	-	-
	RF	91,790	-	91,790	483,000	483,000
	FF	-	-	-	-	-
(2) Division of Human Resources, (A) Human Resource Services, (2) Training Services, Training Services	Total	145,707	-	145,707	483,000	483,000
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	53,917	-	53,917	-	-
	RF	91,790	-	91,790	483,000	483,000
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: Professional Development Cash Fund, 22Y
 Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information: N/A

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Funding for Joint E-Filing System
 Priority Number: R-4

Dept. Approval by: *Aldon Clymer* 10/12/11 Date
 OSPB Approval by: *Grant R. ...* 10/14/11 Date

<input checked="" type="checkbox"/> Decision Item FY 2012-13
<input type="checkbox"/> Base Reduction Item FY 2012-13
<input type="checkbox"/> Supplemental FY 2011-12
<input type="checkbox"/> Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	134,597	-	134,579	416,975	4,038
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	134,597	-	134,579	416,975	4,038
	FF	-	-	-	-	-
Department of Personnel and Administration, (6)	Total	134,597	-	134,579	416,975	4,038
Administrative Courts, Operating Expenses	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	134,597	-	134,579	416,975	4,038
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: #611, Administrative Hearings Fund
 Reappropriated Funds Source, by Department and Line Item Name: User fees from non-state agencies and state agencies
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: Will be included in annual ALJ Common Policy Adjustment
 Other Information:



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

*FY 2012-13 Funding Request
November 1, 2011*

Department Priority: R-4
Request Title: Funding for Joint E-Filing System

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Funding for Joint E-Filing System	\$416,975	\$0	0.0

Request Summary:

The Department of Personnel and Administration is submitting a request for \$416,975 in Reappropriated Funds for FY 2012-13 to acquire and implement an E-filing system for cases heard by the Office of Administrative Courts (OAC).

Acquisition of an E-filing system and an upgrade of the current case management system will satisfy audit recommendations from the State Auditor's Office, streamline current business processes, improve office efficiencies to handle a rapidly increasing caseload and remain consistent with the Governor's goals of efficient, effective and elegant government. The OAC has collaborated with the Governor's Office of Information Technology to identify commonly used processes and areas for potential usage of already existing systems, in an effort to establish the most efficient and effective approach to online case management. A key component of this system would allow citizens to file their legal pleadings, or complaints, electronically through an E-filing system. Significant benefits to allowing citizens to file legal pleadings electronically include quicker resolution to issues and increase accessibility to legal documents by citizens who do not reside in the Denver Metropolitan area. Additionally, the Department believes that this system could be utilized by other state agencies, such as the State Personnel Board and the Colorado State Judicial Branch.

In a September 2008 performance audit of the Office of Administrative Courts, the State Auditor's Office noted that the existing "desktop" version of the case management system used by the OAC (Legal Files®) does not meet expectations and that the OAC lacks adequate information to provide oversight, assess timeliness of core activities, and to manage and allocate resources.

The Office of Administrative Courts provides an easily accessible, independent and cost-effective administrative law adjudication system in Colorado. The judges are independent from the agencies for which they conduct hearings and decide cases. The OAC hears and decides administrative law matters for a total of more than 50 state departments, agencies, boards and county departments and serves the State's citizens from three office locations; the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional office in Colorado Springs. The Office of Administrative Courts currently uses the desktop version of LegalFiles® as its Case Management System. This is a case management system that is designed for use by law firms that has been manipulated to service the Office of Administrative Courts' needs. The contract with LegalFiles® was entered into in July of 2005 and the contract ended on June 30, 2010. An extension to this contract was made through June

30, 2012. The current desktop version of the LegalFiles® system is an imperfect fit with the needs of the OAC, as it does not contain an E-filing component, nor does it have the ability to interact with other case management systems, such as the system used by the Division of Workers' Compensation, requiring duplicative efforts of data entry into two different systems. The upgraded web-based version of LegalFiles® will allow interfacing with an E-filing system as well as allow for the electronic transfer of data to systems used by other user agencies.

In the past three years, audits performed by the Office of the State Auditor have identified significant limitations and deficiencies with the existing business processes associated with E-filing and additional concerns with the quality and functionality of the case management system. In a September 2008 performance audit of the Office of Administrative Courts, the State Auditor's Office noted that the existing "desktop" version of the case management system used by the OAC (Legal Files®) does not meet expectations and that the OAC lacks adequate information to provide oversight, assess timeliness of core activities, and to manage and allocate resources. The performance audit report further identified system deficiencies that did not allow for tracking of certain essential information, require significant levels of duplicative data entry, that the master calendaring function was not comprehensive enough to result in useful analysis and management information, and that the system did not allow for extraction of reports that could provide useful operational management analysis and strategies. Further, the system did not provide an adequate interface with the system used by the Department of Labor & Employment (CDLE), Division of Workers' Compensation; this is problematic given the significant volume of workers' compensation hearings conducted by the OAC. The audit report indicated that the lack of this interface hampers the ability of the CDLE Workers' Compensation to effectively serve its' client base, including citizens, policymakers, healthcare providers and the insurance industry.

The OAC is attempting to implement the use of electronic/technological enhancements for delivery of services via this request. "E-filing", distribution of orders electronically, and "publishing" decisions and orders on the web are examples of the ways in which both offices intend to enter the "E" law arena. The E-filing functionality that is included in the request is not simply a desired improvement, but is actually a best practice that has already been implemented in nearly all judicial districts in Colorado and in a majority of major judicial districts nationwide. E-filing systems eliminate the need for a party to appear in person at the courthouse to file a document, which reduces travel and other administrative costs for citizens and the State. This request serves to improve court processes and customer service. The implementation of the E-filing system will allow the OAC to move toward a paperless environment, better track deadlines, and save copy and storage costs for customers. It will also allow stakeholders throughout the State to more easily access court pleadings. Additional direct benefits include allowing the parties and the public to have online access to all non-confidential documents filed with the OAC.

Most of the judicial districts in Colorado allow for pleadings and motions to be filed electronically, through an "E-filing" mechanism. Currently, all filings made with the OAC are made by either paper or facsimile. With an E-filing system, the OAC could fulfill major performance objectives and provide process efficiencies and savings. Most importantly, the new E-filing capabilities would facilitate improved customer service for the citizens served by the OAC. Parties would be able to electronically file cases with the agencies, which in turn would save them money in paper, copies and postage. Moreover, the mailing of pleadings can add three to seven days onto the time period by which an Administrative Law Judge must make a decision. By electronically filing and receiving documents, most parties will be able to have a quicker resolution to their issues.

Also, with an upgrade to the current case management system, parties to an action would be able to log in to a web-based version of the case management system to see all pleadings that had been filed in a specific case. This is especially convenient for citizens residing outside of the Denver metropolitan area who do not have the capability to visit the offices of the OAC to review files. With an E-filing system in place, both the OAC could move to an entirely “paperless” system. All documents could be stored in electronic files for easy access by OAC staff and electronic transmission to the parties and, in the case of appeals, to other state agencies or courts within the Judicial Department.

The OAC has made a number of business process improvements recently that have helped provide better and more cost effective access to services, and include video conferencing capabilities for hearings to reduce travel costs, the use of a settlement negotiator to avoid trial when possible, and electronic publications of final decisions. These efficiencies and improvements are initial steps to improve customer service; however implementation of a new case management system and an E-filing functionality would be the most significant program improvements that could be made at this time for the benefit of the State and its citizens.

Please see Table 1.0 in Appendix 1 for a summary of alternatives considered by the Department.

In summary, the proposed solution would allow the Department to acquire and implement an updated case management system, which will support the E-filing of legal pleadings relating to the cases heard by the OAC. Acquisition of these two components of an overall court management system will satisfy audit recommendations from the State Auditor’s Office, streamline current business processes, and improve office efficiencies to handle a rapidly increasing caseload.

Anticipated Outcomes:

With an E-filing system, the OAC could fulfill major performance objectives. First, it would improve customer service. Parties would be able to electronically file cases with agencies, which in turn would save agencies money in paper, copies and postage. Moreover, the mailing of pleadings can add three to seven days to the time period by which an ALJ must make a decision. By electronically filing and receiving documents, the parties will be able to have a quicker resolution to their issues. Also, parties to an action would be able to log in to the E-filing system to see all pleadings that had been filed in a specific case. This is especially convenient for citizens residing outside of the Denver metropolitan area who do not have the capability to the offices of the OAC to review files.

Another performance objective is the efficient and effective practice of government. With an E-filing system in place the OAC could actually move to an entirely “paperless” system. All documents could be stored in electronic files for easy access and transmission to the parties, other agencies and other courts.

Assumptions for Calculations:

Costs for the Alteration of the Existing DNR E-filing Program: After collaboration with OIT on potential methods to implement E-filing, the Department has identified the costs associated with altering an E-filing program already utilized by the Department of Natural Resources. In the process of seeking the most efficient, effective and affordable E-filing solution, the OAC discussed utilizing an existing E-filing system developed by the Department of Natural Resources, Oil and Gas Commission. This request is to facilitate tailoring an existing state resource/asset to meet the OAC needs, and thereby achieve a savings to the State by utilizing existing resources. The cost estimated to acquire and implement a new E-filing system is estimated to exceed \$500,000 based on requests for information collected by the Department. However, if the existing E-filing system/application implemented by the Department of Natural Resources (DNR) can be leveraged and

modified, costs would be reduced to approximately half the amount required to procure a new system. Please see Table 2.0 in Appendix 1 for calculations.

Costs for an upgraded Legal Files Case Management System: Table 3.0 in Appendix 1 has been provided by the current provider of case management systems to the OAC, and includes critical upgrades to the system that would allow for web-based access. In addition, the upgrade to web-based LegalFiles® will allow the case management system to fully interface with the proposed e-filing system currently used by DNR.

Savings from Elimination of Duplicative Data Entry: Currently, the OAC has a Technician II who spends approximately 12.5 percent of her time entering data into the current desktop case management system based on information from other case management systems. If a web based case management system were approved and implemented, the need for this double data entry would be eliminated by the capability of the two systems to interface. Please see Table 4.0 in Appendix 1 for the calculation of savings.

Consequences if not Funded:

If the request is not funded, the Office of Administrative Courts will continue to accept all pleadings in writing, and be in non-compliance with the State Auditor’s recommendations. The majority of judicial districts in Colorado allow for pleadings and motions to be filed electronically in order to achieve efficiencies and provide high quality customer service to their clients. Without the ability to file and review case information and pleadings electronically, the citizens served by the OAC will be subject to longer than average processing time for case documents.

Impact to Other State Government Agencies:

If the E-filing system is utilized with a web-based case management system, it is possible that agencies that use the OAC may see a cost savings in terms of paper usage, copies and postage based on the number of cases heard by the OAC. Moreover, the access to pleadings electronically

will obviate the need for agencies to review paper files, thus saving time and money.

Cash Fund Projections (inc. Decision Item):

Cash Fund Name	FY 11 End of Year Fund Balance	FY 12 End of Year Fund Balance Estimate	FY 13 End of Year Fund Balance Estimate	FY 14 End of Year Fund Balance Estimate
Admin. Hearings	\$559,682	\$189,825	\$728,827*	\$728,827*

* Equals 16.5% of FY 12 appropriation including POTS. ALJ common policy (fees) to be adjusted to target this.

Relation to Performance Measures:

This decision item supports the following objectives:

Objective: Increase availability and use of electronic documents in an effort to move toward a “paperless” office.

Objective: Enhance court processes with E-filing to promote greening and transparency of government.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

N/A – this request is a Decision Item.

Current Statutory Authority or Needed Statutory Change:

No statutory changes will be necessary to Section 24-30-1001, C.R.S. to allow for the additional funding from the Administrative Hearings Fund.

Appendix 1 – Assumptions for Calculations

Table 1.0 – Summary of Alternatives Considered

Alternatives	Cost	Benefit
<p>Do Not Replace Case Management Systems and Do Not Implement E-filing system</p>	<ul style="list-style-type: none"> • \$0 Reappropriated Funds. • Non-compliance with findings from the State Auditor’s Office. • Increased risk of system failure the longer a replacement is deferred, resulting in the potential for loss of case information. • Increased client frustration with the inability to review case information online. Instead, citizens served by the OAC will be required to request hard copies of documents through the mail or come in-person to review case information. 	<ul style="list-style-type: none"> • Spending authority associated with any change requests will not be granted in the requested fiscal year.
<p>Replace Case Management Systems and Implement E-filing system</p>	<ul style="list-style-type: none"> • \$416,975 in Reappropriated Funds spending authority in FY 2012-13, and \$4,038 in additional resources (Reappropriated Funds) for ongoing maintenance. 	<ul style="list-style-type: none"> • Funding to support the implementation of the two critical systems can come from existing fund balance, and \$4,038 in an ongoing appropriation will also be incorporated into the common policy. • Improved customer service for the citizens served by the OAC, which will be on par with the service provided by the judicial districts. • Compliance with findings from the State Auditor’s Office. • Potential reduction in ongoing operating costs for the Executive Branch agencies utilizing the services of the OAC.

Table 2.0 - Costs for the Alteration of the Existing DNR E-filing Program

Description	Total Estimated Cost for Labor	Related Expenses	FY 2012-13 One-time Costs
Modification of existing system to support OAC	\$182,040	\$2,400	\$184,440
Reports for print output modeled to match the 2-page 8-1/2x14 inch hard copy pages (20 reports @ approx. 24 hours)	\$44,400		\$44,400
Testing on development server for each form iteration (8 hours per each of 20 forms)	\$29,600		\$29,600
Documentation--various project phases	\$24,000		\$24,000
Training--preparation and 3.5 days onsite	\$13,440	\$2,400	\$15,840
Project management and coordination	\$40,000		\$40,000
Total Costs	\$333,480	\$4,800	\$338,280

Table 3.0 - Costs for an upgraded Legal Files Case Management System

Quantity	Description	Cost Per	FY 2012-13	FY 2013-14
Legal files Software				
49	Legal files Web User License Exchange Fee	\$795	\$38,955	\$0
3	Legal files Web User License Fee	\$1,190	\$3,570	\$0
1	Server License Fee (Includes 2 administrative licenses)	\$2,495	\$2,495	\$0
1	Component to allow interfacing with other web-based systems	\$25,000	\$25,000	\$0
Total Software Cost			\$70,020	\$0
Implementation and Training Services				
2	Implementation Assistance - Admin Setup (2 Days)	\$1,500	\$3,000	\$0
5	End User Training (5 Days)	\$1,500	\$7,500	\$0
8	Project Management (\$200 hr)	\$200	\$1,600	\$0
4	Follow up Online Training sessions (\$300 - 2 hour sessions)	\$300	\$1,200	\$0
Total Implementation and Training Services			\$13,300	\$0
Ongoing Maintenance and Support				
	Maintenance and Support		\$28,839	\$32,877
Total Maintenance and Support*			\$28,839	\$32,877
Total Cost Summary			\$112,159	\$32,877

* The OAC currently has funding within (6) Administrative Courts, Operating Expenses of \$28,839 that supports their current desktop case management system. That funding will instead support the ongoing maintenance of the new web-based system once implemented.

Table 4.0 - Savings from Elimination of Duplicative Data Entry

a.	Estimated Number of Hours Spent on Duplicative Data Entry per Day	1
b.	Estimated Number of Hours Spent on Duplicative Data Entry Annually (a x 260 DAYS)	260
c.	FTE associated with Duplicative Data Entry (b/2080 HOURS)	0.125
d.	Salary of FTE (Technician II) Currently Processing Data	\$ 37,000
e.	Savings	\$ 4,625

Calculations for Request:

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$416,975	\$0	\$0	\$416,975	\$0	0.0
Department of Personnel and Administration, (6) Administrative Courts, Operating Expenses	\$416,975	\$0	\$0	\$416,975	\$0	0.0

Summary of Request FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$4,038	\$0	\$0	\$4,038	\$0	0.0
Department of Personnel and Administration, (6) Administrative Courts, Operating Expenses	\$4,038	\$0	\$0	\$4,038	\$0	0.0

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Funding for Joint E-Filing System

Priority Number: R-4

Dept. Approval by: *John C. [Signature]* 10/12/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

OSPB Approval by: *[Signature]* 10/14/11
 Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
	Fund	1 Appropriation FY 2011-12	2 Supplemental Request FY 2011-12	3 Base Request FY 2012-13	4 Funding Change Request FY 2012-13	6 Continuation Amount FY 2013-14
Total of All Line Items	Total	134,597	-	134,579	416,975	4,038
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	134,597	-	134,579	416,975	4,038
	FF	-	-	-	-	-
Department of Personnel and Administration, (6)	Total	134,597	-	134,579	416,975	4,038
Administrative Courts,	FTE	-	-	-	-	-
Operating Expenses	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	134,597	-	134,579	416,975	4,038
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: #611, Administrative Hearings Fund

Reappropriated Funds Source, by Department and Line Item Name: User fees from non-state agencies and state agencies

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: Will be included in annual ALJ Common Policy Adjustment

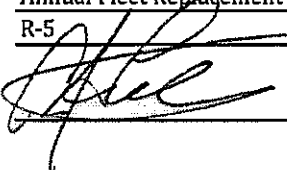
Other Information:

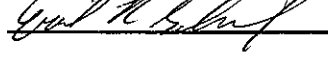
Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Annual Fleet Replacement

Priority Number: R-5

Dept. Approval by:  10/3/11
Date

OSPB Approval by:  10/5/11
Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	16,521,437	-	16,521,437	(834,662)	1,033,416
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	16,521,437	-	16,521,437	(834,662)	1,033,416
	FF	-	-	-	-	-
(4) Central Services, (C)	Total	16,521,437	-	16,521,437	(834,662)	1,033,416
Fleet Management	FTE	-	-	-	-	-
Program and Motor Pool	GF	-	-	-	-	-
Services, Vehicle	GFE	-	-	-	-	-
Replacement Lease,	CF	-	-	-	-	-
Purchase or	RF	16,521,437	-	16,521,437	(834,662)	1,033,416
Lease/Purchase	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: Fleet Management, Fund 607

Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2012-13 Funding Request
November 1, 2011*

Kathy Nesbitt
Executive Director

**Department Priority: R - 5
Annual Fleet Replacement**

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Statewide Impact	\$ 1,409,305	\$ 570,710	0.0
Department of Personnel and Administration Impact	(\$834,662)	\$0	0.0

Request Summary:

The Department of Personnel and Administration is requesting replacement of 600 vehicles in the State Fleet. For individual State agencies, this request will require approximately \$1.4 million in additional funding for the respective Vehicle Lease Payments appropriations. Based on historical thresholds for vehicle replacements, 1,228 vehicles are in need of replacement, which represents over 21 percent of the entire state fleet. However, due to budget and resource constraints, the Department has identified those most in need of replacement. The remainder will be pushed out to subsequent request years.

Appropriation History

This request is submitted on an annual basis through the combined efforts of State Fleet Management, the Office of State Planning and Budgeting, and the State agencies that participate in the State Fleet Management Program.

Fleet replacements were under-funded during fiscal years FY 2002-03 through FY 2003-04 when the State was also under severe budgetary constraints. This put significant upward pressure on maintenance expense (a 21% increase in maintenance cost per mile from FY 2001-02 through FY 2004-05), and this cutback in replacements also negatively impacted the reliability and safety of the fleet. During the following five fiscal years, the level of funding

and number of replacements was returned to reasonable levels, and the maintenance cost per mile has been held relatively constant for the last five years, increasing only 0.2% from FY 2004-05 through FY 2008-09. An especially strong replacement budget in FY 2008-09 generated a reduction in cost per mile in FY 2009-10 of 4.3%. With the budget actions of FY 2010-11 and FY 2011-12, the State has already begun to see the increases in maintenance costs similar to the 21% increase noted above. The funding of consistent and reasonable levels of replacements are the most cost effective approaches to fleet management. This will also enable State Fleet Management to minimize future increases in vehicle maintenance and ensure a reliable, safe, and cost effective fleet infrastructure, while minimizing the net impact to the General Fund.

The Department originally identified over 1,200 vehicles for replacement using its standard criteria. However, due to the limited personnel and physical resources (such as lot space) available to the State Fleet Management Program the Department has revised the requested list to only include the "worst of the worst" vehicles for FY 2012-13. This year's request results in a net increase to agency lease line appropriations after two years of net decreases. For the past few years, the level of leases ending more than offsetting the amount of new leases for new

replacements and has therefore resulted in appropriation reductions.

The Department is requesting the replacement of 600 vehicles at a total incremental cost to State agencies of \$1,409,305. This funding is being requested through individual Department Budget Submissions. However, the Department of Personnel and Administration will require a corresponding adjustment to its spending authority for State Fleet Management. The Department will require a reduction of \$834,662 of Reappropriated Funds in its (4) Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease, Purchase or Lease/Purchase line item for this request. While this may seem contrary to the overall request, the spending authority decrease is due to the fact that many vehicles are coming off lease, therefore offsetting the additional spending authority required for the replacement vehicles.

Please see appendix attached to this request for a summary of the methodology.

Anticipated Outcomes:

With this request, the Department believes the State will move closer to funding the State Fleet at its estimated need. This will begin to reduce the increasing maintenance and upkeep costs as older, less efficient vehicles are replaced by newer models, and helps to insure the provision of safe and reliable vehicles.

Assumptions for Calculations:

The budget assumptions for this request include preliminary estimates of the impacts of a FY 2011-12 vehicle reconciliation performed by State Fleet Management, and a further estimated reconciliation of leases ending and increasing during the budget period. To these adjustments has been added the pro-rated impact of the requested vehicles. Due to the number of assumptions and clarifications required by this request, the Department has moved the majority of the assumptions for calculations text under their respective tables below.

Consequences if not Funded:

This alternative would provide no funding for replacement of any vehicles. Given the State's current financial difficulty, the Department proposes to only replace the vehicles that are the absolute worst of the worst and have an immediate and positive payback. The majority of the vehicles that are being replaced are Colorado State Patrol's vehicles that routinely travel at high rates of speed under all sorts of conditions. According to the Department of Public Safety, the probability of a catastrophic mechanical failure is significantly higher for vehicles that cross the 80,000 mile threshold, and therefore need to be replaced to ensure the safety of the patrolmen in the car and the citizens they protect. As a result of the high initial cost and the short necessary life cycle of these vehicles, there is never a positive financial payback for the CSP vehicles.

Impact to Other State Government Agency:

The following State agencies will be impacted by this request: Public Safety, Agriculture, Corrections, Education, Public Health, Human Services, Local Affairs, Labor and Employment, Military Affairs, Natural Resources, Revenue, Regulatory Agencies, Governor's Office, Personnel, Law, State, Judicial, Transportation, and Higher Education.

Cash Fund Projections:

Not Applicable.

Relation to Performance Measures:

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

Not Applicable.

Current Statutory Authority or Needed Statutory Change:

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

***Section 24-30-1117 C.R.S. - Exclusive Authority
to Acquire State-owned Motor Vehicles***

The department of personnel shall have the exclusive authority to purchase, lease, and otherwise acquire motor vehicles for such use by state officers and employees as may be necessitated in the course and conduct of official state business. Except for any vehicles donated to specific state agencies, no motor vehicle shall be purchased, leased, or otherwise acquired by any state agency unless such vehicle is obtained through the department of personnel or under an express waiver granted by the department.

***Please see the Attached Calculations on the
Following Pages.***

Estimated State Agency Need

The Department estimated the projected need for State agencies in FY 2011-12 and FY 2012-13 by performing the following steps:

For FY 2011-12 refer to the Agency Lease Line Analysis table for that year (below):

- 1) Begin with the appropriated (Line 1) and non-appropriated (Line 2) and develop a total base funding (Line 1 + Line 2 = Line 3);
- 2) Reduce the base by the difference between actual lease payments and the total base (Line 4);
- 3) Add the approved additions (Line 5) and the approved replacements (Line 6);
- 4) Reduce the total need by the value of the leases that will terminate in that year (Line 7) to determine the total Statewide need (Line 8); and
- 5) Then, reduce the total Statewide appropriation by the payments that will be made on behalf of non-appropriated agencies (Line 9) to develop the total appropriated agency need for FY 2011-12 (Line 10).

Finally, line 11 of the table takes the difference between the calculated need for FY 2011-12 and the current appropriation. This is the incremental need for State agency appropriations in FY 2011-12 and serves as the base for determining FY 2012-13 total need.

Line	FY 2011-12 Agency Lease Line Analysis	FY 2011-12
1	FY 11-12 Base Long Bill Appropriation	\$15,497,279
2	Non-Appropriated Vehicle Lease Payments*	\$2,734,901
3	Total FY 2011-12 Base Funding (All Agencies)	\$18,232,180
4	Estimated Reduction to FY 2011-12 Based on Current Lease Payments	(\$1,233,103)
5	Approved Additions (Prorated)	\$31,968
6	Approved Replacements (Prorated)	\$1,086,450
7	Leases Ending in FY 2011-12 (impact to FY 2011-12)	(\$450,188)
8	Estimated FY 2011-12 Statewide Need After FY 2011-12 Supplemental	\$17,667,307
9	Non-Appropriated Vehicle Lease Payments	(\$2,665,906)
10	Net Appropriated Agency Need for FY 2011-12	\$15,001,402
11	Net FY 2011-12 Estimated Adjustment from Current Long Bill Appropriation	(\$495,877)

Calculation of FY 2012-13 Requested Amount

The FY 2012-13 Agency Lease Line Analysis table (below) is calculated the same way that the FY 2011-12 Agency Lease Line Analysis table.

Line 12 of the FY 2012-13 Lease Line analysis table takes the adjusted FY 2011-12 appropriated spending authority and adds the payments for non-appropriated agencies (Line 13) to get to the total base funding (Line 14). To this, the following adjustments are made: the impact of FY 2011-12 leases ending on FY 2012-13 (Line 15), the annualization of FY 2011-12 leases approved for FY 2012-13 (Line 16), a reduction for leases ending in FY 2011-12 (Line 17), an incremental adjustment for the adjustment for the State Fleet management fee (line 18), the FY 2012-13 costs for the replacement of the 600 vehicles (Line 19), remaining payment obligations (Line 20).

The actions are aggregated into the Estimated FY 12-13 Statewide Need for FY 12-13 Replacement line, or Line 21. Line 22 calculates the incremental need for the entire State, and the non-appropriated funds (Line 23) are reduced from Line 21 to drive the total need for appropriated agencies in FY 2012-13 (Line 23). The FY 2011-12 appropriated amount is then subtracted from Line 24 to get the incremental need for State agencies (Line 25).

Line	FY 2012-13 Agency Lease Line Analysis	FY 2012-13
12	FY 2011-12 Estimated Need after Additions/Subtractions	\$15,001,402
13	Non-Appropriated Vehicle Lease Payments*	\$2,665,906
14	Total Estimated FY 2011-12 Base Funding (All Agencies)	\$17,667,307
15	Leases ending in FY 2011-12 (impact on FY 2012-13)	(\$1,419,904)
16	New FY 2011-12 Leases annualized for FY 2012-13	\$1,318,679
17	Leases Ending in FY 2011-12	(\$512,349)
18	Management Fee Adjustment (Increase Over FY 2011-12 Level)	\$569,640
19	600 Vehicle Replacements for FY 2012-13	\$1,735,238
20	Remaining Payment Obligations	\$371,662
21	Estimated FY 2012-13 Statewide Need After FY 2012-13 Replacements	\$19,730,273
22	Net Statewide Increase Over FY 2011-12 Long Bill	\$1,498,093
23	Non-Appropriated Vehicle Lease Payments	(\$2,823,690)
24	Net Appropriated Agency Need for FY 2012-13	\$16,906,584
25	Net Increase Over FY 2011-12 Base Long Bill (Appropriated Agencies)	\$1,409,305

Department of Personnel and Administration's Estimated Need

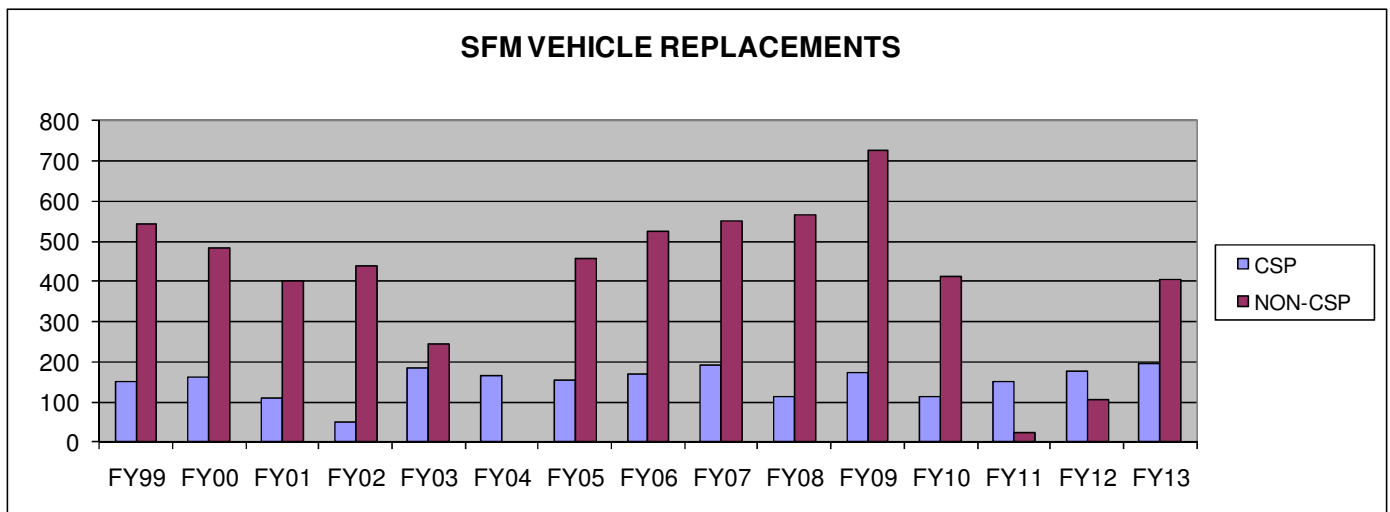
The following table called "State Fleet Lease Line Analysis" shows the amount of the actual lease payments due to lenders in FY 2011-12 and FY 2012-13 as a result of prior year's approved financing. Because of the timing of Certificate of Payment installments (due twice each year), the payments due to lenders do not exactly match the monthly payment streams due to State Fleet Management from the agencies. These payment streams will be more closely aligned as the older COPs are paid off. This table breaks out the FY 2012-13 spending authority the Department of Personnel and Administration will need to purchase 600 new replacement vehicles as well as the overall increase in spending authority State Fleet Management will require in FY 2012-13.

STATE FLEET LEASE LINE APPROPRIATION ANALYSIS			
SFM Lease Payments Due by COP Series and Trust Year	FY 2011-12	FY 2012-13	FY 2013-14
COP 2005	\$1,300,397	\$450,657	\$0
COP 2006	\$2,450,567	\$1,741,300	\$1,739,609
TRUST 2007 (Exhibit B)	\$1,955,219	\$1,587,836	\$1,509,247
TRUST 2008 (Exhibit B)	\$2,453,089	\$1,754,515	\$1,395,331
TRUST 2009 (Exhibit B)	\$3,088,876	\$3,062,790	\$2,496,908
TRUST 2010 (Exhibit B)	\$2,205,651	\$2,205,651	\$2,148,034
TRUST 2011 (11 Pro-Ration includes Motor Pool leases)	\$1,387,213	\$1,547,112	\$1,547,112
TRUST 2012 (12 Pro-Ration includes Motor Pool leases)	\$521,380	\$2,229,720	\$2,229,720
TRUST 2013 (13 Pro-Ration includes Motor Pool leases) Pending	\$0	\$875,370	\$4,229,461
Total Known Lease Payments Due	\$15,362,393	\$15,454,951	\$17,295,422
UNFORESEEN (Accident totals, denied repairs, etc.) @1.5%	\$230,436	\$231,824	\$259,431
ACCIDENT TOTALS (Known YTD)	\$0	\$0	\$0
Total SFM Lease Spending Authority Need for FY 2011-12=	\$15,592,829	\$15,686,775	\$17,554,853
FY 2011-12 APPROPRIATION			
Current Year Base Spending Authority (FY 2011-12 Base)	\$16,521,437	\$16,521,437	\$16,521,437
Required Additional Spending Authority (over FY 2011-12 Base)=	(\$928,608)	(\$834,662)	\$1,033,416

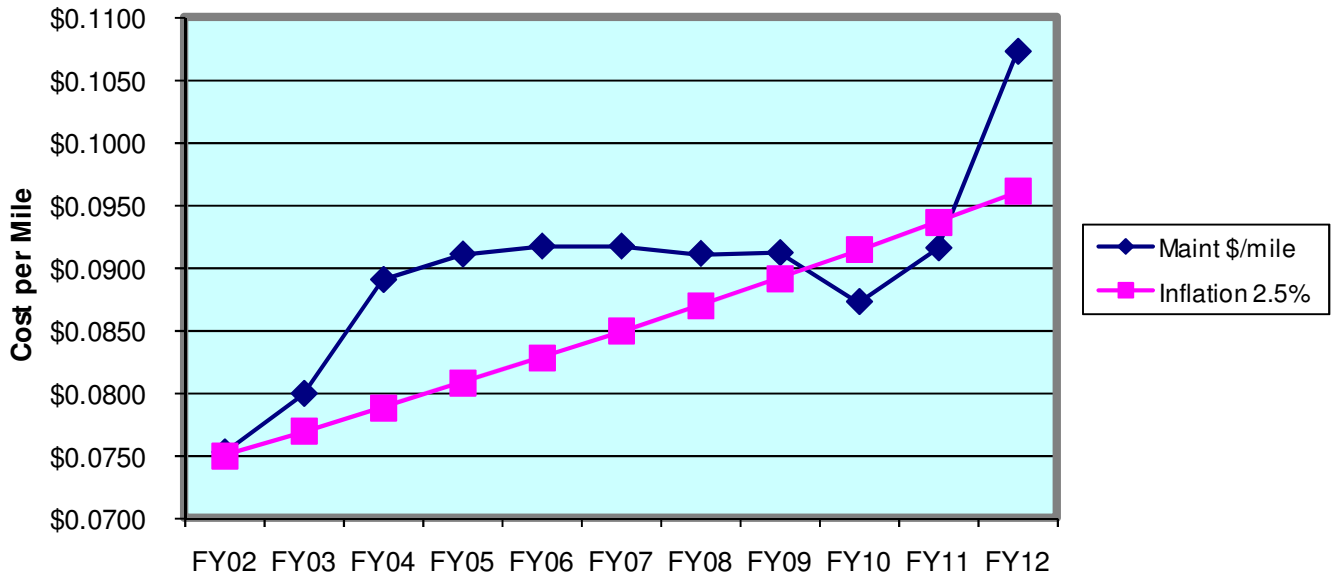
The following table shows how the FY 2012-13 Vehicle Replacement decision item will impact State agencies.

FY 2012-13 SUMMARY FOR VEHICLE REPLACEMENT							
Department	FY 2012-13 Request	Change from Prior Year	Fund Split for Appropriation Change				
			Total	GF	CF	HUTF	RF
Agriculture	\$246,519	\$37,568	\$17,566	\$18,262	\$0	\$0	\$1,740
Corrections	\$2,831,063	\$372,009	\$241,864	\$130,145	\$0	\$0	\$0
Education	\$26,666	\$3,623	\$3,623	\$0	\$0	\$0	\$0
Governor's Office	\$106,171	(\$25,439)	\$0	\$0	\$0	(\$25,439)	\$0
HCPF	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	\$1,131,017	\$56,010	\$31,316	\$1,158	\$0	\$16,158	\$7,378
Judicial*	\$237,927	\$119,701	\$119,701	\$0	\$0	\$0	\$0
Labor and Employment	\$105,258	(\$2,367)	\$0	(\$1,657)	\$0	\$0	(\$710)
Law*	\$70,285	\$109	\$0	\$0	\$0	\$109	\$0
Local Affairs	\$108,445	(\$18,285)	(\$18,285)	\$0	\$0	\$0	\$0
Military Affairs	\$47,549	\$11,041	\$11,041	\$0	\$0	\$0	\$0
Natural Resources	\$3,106,106	\$207,431	\$38,778	\$169,380	\$0	\$0	(\$727)
Personnel and Administration	\$89,802	(\$15,287)	\$0	\$0	\$0	(\$15,287)	\$0
Public Health	\$409,061	\$64,222	\$0	\$44,222	\$0	\$15,000	\$5,000
Public Safety	\$7,436,928	\$327,375	\$89,543	\$212,812	(\$11,662)	\$46,040	(\$9,355)
Regulatory Agencies	\$221,254	\$69,452	\$0	\$69,452	\$0	\$0	\$0
Revenue	\$729,570	\$202,148	\$35,563	\$167,448	(\$864)	\$0	\$0
State*	\$2,963	(\$6)	\$0	(\$6)	\$0	\$0	\$0
Total	\$16,906,584	\$1,409,305	\$570,710	\$811,216	(\$12,526)	\$36,581	\$3,326

*Represent non-Executive Branch officials that do not submit Budget Submissions to the Governor's Office. The fund splits are estimates.



SFM Maintenance Cost per Mile (FY02 thru FY12 est)
(WITHOUT SB-15 VEHICLES)



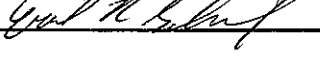
Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Annual Fleet Replacement

Priority Number: R-5

Dept. Approval by:  10/3/11
Date

OSPB Approval by:  10/5/11
Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	16,521,437	-	16,521,437	(834,662)	1,033,416
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	16,521,437	-	16,521,437	(834,662)	1,033,416
	FF	-	-	-	-	-
(4) Central Services, (C)	Total	16,521,437	-	16,521,437	(834,662)	1,033,416
Fleet Management	FTE	-	-	-	-	-
Program and Motor Pool	GF	-	-	-	-	-
Services, Vehicle	GFE	-	-	-	-	-
Replacement Lease,	CF	-	-	-	-	-
Purchase or	RF	16,521,437	-	16,521,437	(834,662)	1,033,416
Lease/Purchase	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: Fleet Management, Fund 607

Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A

Appendix to R – 5: Annual Fleet Replacement

Summary of Methodology

Strategy: Replace only the highest cost vehicles in each vehicle class with consideration to the given fiscal and budgetary constraints. In addition, for the FY 2011-12 budget cycle, additional replacement criteria has been added. Due to the current financial environment only vehicles which must be replaced due to critical health, life and safety demands will be considered.

Methodology Overview: The current methodology uses the following basic criteria in a series of logical steps to arrive at the final proposed replacement list:

- One of the best indicators for the useful life of a vehicle is the number of miles logged. To develop the replacement list the State Fleet Program prioritizes high-mileage vehicles for replacement.
- Anticipated cost of maintenance compared to like vehicles is calculated and ranked, ordered from most costly to least costly.
- Vehicle age is considered and very old, high usage vehicles are selected for replacement. This is also consistent with Executive Order D0012 07 “Greening of State Government” which mandates that priority be given to replacing vehicles older than 1996. Very old, low usage vehicles are selected for future rotation. These low annual usage vehicles are not part of the proposal for replacement funding, but as vehicles are turned in for replacement over the next two years, a formal effort will be made to swap out very old, low use vehicles with somewhat newer vehicles that have exhausted their normal life cycle.
- Vehicle placement and usage is considered, with extra consideration given to State Patrol vehicles due to performance and safety issues. Low usage “campus crawler” type vehicles are held longer than other vehicles and may become candidates for rotation as described above.
- Manual adjustments are made based on agency input and vehicle-by-vehicle State Fleet Management analysis.
- A financial analysis is performed to insure that there is solid economic justification for the proposed level of replacements.
- Finally, budgetary constraints and impacts of known fleet initiatives and legislative actions are considered in developing the final proposal.

STEP BY STEP METHODOLOGY DESCRIPTION:

- **Step 1. Initial Screen:** The initial candidate list is generated from the Colorado Automotive Reporting System (CARS) using a minimum threshold for further replacement consideration. An extraction is done that lists all vehicles projected to meet the following requirements by the time it is proposed that the new vehicles would be delivered by the final quarter of FY 2011-12. In order to even be considered for analysis a vehicle must meet one of the following criteria:
 - Non Colorado State Patrol (CSP) vehicles must be projected to have greater than 100,000 miles,
 - CSP vehicles must have greater than 80,000 miles for patrol vehicles and be four years old, and greater than 40,000 for motorcycles, and

- A vehicle that will be 16 years old or older at the time that the proposed replacement would occur. This is consistent with one of the elements of Executive Order 0012 07, which specifies that a priority be placed on the replacement of vehicles model year 1996 and older as a means of improving fuel efficiency.

For FY 2011-12 this initial screen produced 2,046 potential candidates meeting the minimum criteria.

Rationale: This initial screen limits the replacement candidates based upon a logical minimum standard. Mileage is projected through June of the budget request year to include all vehicles that will meet the criteria within the request year. This is only the entry point into the process, and vehicles must meet these minimum criteria for further consideration as replacement candidates.

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

- **Agency retention requests**

Rationale: State Fleet Management confers with agencies concerning proposed replacements, taking into consideration factors such as internal rotations, cascading vehicle assignments for additional use, and other extensions to a vehicle's life. No one knows the individual vehicles better than agency Vehicle Coordinators and the users of the vehicles. State Fleet Management uses agency input to eliminate vehicles from the replacement analysis that, in an agency's opinion, are in good condition considering mileage and age. State Fleet Management also uses agency input to keep vehicles on the replacement list that are in exceptionally poor condition, create an unacceptable safety risk, or are not meeting the functional requirements of the agency, even in some cases when the vehicle does not meet typical replacement criteria.

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

Rationale: The most recent 12 months of repairs are analyzed to identify any individual repairs that required significant expenditures (typically in excess of \$3,000 for an individual repair). If the State has recently made a significant investment, replacing a major component of a vehicle, the State should expect that the cost to operate the vehicle over the short-term should be reduced, and the State should not replace such vehicles until it has had the opportunity to benefit from that investment.

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

Rationale: Vehicles in this category are typically maintenance and support vehicles used in campus type environments. They are typically low mileage (approximately 1,000 miles per year), are often very old, and may have a high cost per mile even though the total annual

operating cost is very low. Ideally, these vehicles should be replaced with used, but safe and operable vehicles from vehicle turn-ins as part of the natural rotation of the fleet. Vehicles that are no longer suitable for high usage functions can often be used in these maintenance type roles without incurring significant repairs, and it is often not economically justifiable to purchase brand new vehicles into these very low use assignments. Therefore, only the very worst of these maintenance and support vehicles are included in the final submission for replacement.

- **Very high mileage vehicles (>140,000)**

Rationale: Vehicles with this mileage projection are at least 40 percent over the State's minimum mileage replacement criterion. At this point, it is reasonable to expect vehicles to deteriorate rapidly, with costly major component breakdowns, and to expect reliability and safety concerns to rapidly increase. Cost effective operation of such vehicles is highly unlikely after this mileage threshold is reached. In fact, in a less restrictive fiscal environment, State Fleet Management would typically recommend lower thresholds.

Step 3. Rank Highest Priority to Lowest Priority:

Rationale: All of the vehicles based on the initial screening criteria meet the basic requirements for replacement. These vehicles are nearly all high-mileage, high-cost and are primarily older vehicles. While all of these vehicles meet the basic criteria for the replacement cycle, the challenge is to make sure that the worst of these vehicles are identified, so that only the worst of the worst will be replaced given any level of funding. By comparing these vehicles to the average vehicle of similar age and type, the State will be able to identify the vehicles that display the greatest operational cost variance from the average. Those that have much higher than average costs, will rank out higher than those with lower than average costs. This way the State can identify the worst vehicles (from a cost standpoint) and make sure these are identified with the highest priority.

- **All State Patrol vehicles meeting the minimum criteria will be submitted.**

State Patrol vehicles are not included in this ranking. State Patrol vehicles have unique utilization, performance, and safety, needs that require replacement on a 4-year cycle.

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

- **State funding capabilities**

Rationale: In any given year, it is often not practical or feasible to replace all the vehicles necessary to maintain an optimal fleet, from a total cost of fleet perspective. When funds are scarce, it is especially important that the highest mileage vehicles that present immediate safety concerns are replaced so that the funds that are spent on the fleet can provide the optimal financial benefit to the State.

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

Rationale: Initiatives undertaken by State Fleet Management and individual agencies to reduce the total number of vehicles in the fleet can affect the replacement process in two ways. First, by reducing the overall size of the fleet, the percentage of optimal replacements necessary to maintain the fleet each year produces a smaller number of candidates. Second, and most importantly, a large number of vehicles leaving the fleet inevitably include the worst vehicles in the fleet. These are also the same vehicles that should be the highest priority for replacement, and since they no longer need to be replaced, the number of requested replacements in that year, might be reduced.

- **Prior year funding and replacement levels**

Rationale: Under-funding of replacements in previous years has put additional pressure on the fleet, and will require reasonable levels of replacements in subsequent years. With a mileage criterion of 100,000 miles and average annual miles per vehicle of 13,000, ($8 \times 13,000 = 104,000$) the State should be replacing approximately 1/8 of the non-CSP fleet or 600+ non-CSP vehicles each year. Fleet replacements were under funded during fiscal years FY 2002-03 through FY 2003-04 when the State was also under severe budgetary constraints. This put significant upward pressure on maintenance expense (a 21% increase in maintenance cost per mile from FY 2001-02 through FY 2004-05). In fiscal years 2005-06, 2006-07, and 2007-08, the replacement program was back to a more reasonable level (averaging 566 non-CSP vehicles per year) and included all funding sources. This level of replacement allowed for maintenance costs to remain nearly level (less than 1% increase per year) although at a greatly increased base level due to the earlier costs in replacements. An unusually high number of replacements in FY 2008-09 actually generated a reduction in maintenance expense for FY 2009-10 of 4.3%.

This year's proposal is the third year with replacements significantly below desired levels due to the current budget limitations and, now, the limited number of resources available to process the vehicles that need to be replaced. As in prior years where a considerable portion of the fleet vehicles were not replaced, the State can expect to see significant increases in maintenance in FY 2011-12 through FY 2013-14.

Step 5: Economic Validation: The final step involves a financial analysis of the alternatives to make sure that the proposed replacements have a solid economic justification and represent an optimal financial decision for the State.

The non-CSP vehicles proposed for replacement by the fleet replacement methodology average 156,000 miles with 26 exceeding 200,000 miles. These same vehicles will average over 168,000 miles by FY2013-14 and will be well into a very costly phase of their life cycle for work vehicles.

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Reduction of Mail Equipment Purchase Line Item
 Priority Number: BR - 1

Dept. Approval by: Abby Cignner 10/12/11
 Date

OSPB Approval by: Erin M. Sullivan 10/15/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	333,642	-	333,642	(109,888)	(109,888)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(109,888)	(109,888)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	177,624	-	177,624	-	-
	FF	-	-	-	-	-
4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Mail Equipment Purchase	Total	333,642	-	333,642	(109,888)	(109,888)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(109,888)	(109,888)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	177,624	-	177,624	-	-
	FF	-	-	-	-	-
Letternote Text Revision Required for FY 2011-12?		Yes: <input type="checkbox"/>		No: <input checked="" type="checkbox"/>		
Letternote Text Revision Required for FY 2012-13?		Yes: <input type="checkbox"/>		No: <input checked="" type="checkbox"/>		
Cash or Federal Fund Name and COFRS Fund Number:		None.				
Reappropriated Funds Source, by Department and Line Item Name:		None.				
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/>		Not Required: <input checked="" type="checkbox"/>		
Schedule 13s from Affected Departments:		N/A				
Other Information:		N/A				



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2012-13 Funding Request
November 1, 2011*

Kathy Nesbitt
Executive Director

Department Priority: BR - 1

Request Title: Reduction of Mail Equipment Purchase Line Item

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Reduction of Mail Equipment Purchase Line Item	(\$109,888)	(\$109,888)	0.0

Request Summary:

The Department of Personnel and Administration is requesting that the General Fund appropriation for the Mail Equipment Purchase line item within the Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services section be reduced by \$109,888.

An analysis completed on annual payments and depreciation payments within the Mail Equipment Purchase line item shows an ongoing General Fund need of approximately \$50,000 annually. The line item is currently funded at \$156,018 in General Fund. The variance between the funding amount and the need occurred as a result of a reduction in the number of pieces of equipment funded through a lease purchase agreement. The analysis indicates that a reversion of approximately \$100,000 annually will occur until FY 2013-14 based on the projected General Fund need; therefore it is recommended that the \$109,888 in General Fund be reduced. This proposed reduction will not impact FTE.

The necessary appropriation for the Department's proposal to enter into a five year lease purchase agreement for four pieces of mail equipment was included as part of HB 10-1310 "Supplemental Appropriation to the Department of Personnel and Administration." The Department's request

was driven by a need for the Mail Services program to conform with USPS technological requirements and process changes, to address a business need for replacement of equipment that is beyond its useful life, and concurrently to implement new business processes that can provide significant savings to the State. The proposal sought to provide efficiencies, additional discounts and savings that could be passed on to State agencies and other customers. In addition to these goals, the Department has also realized a future General Fund Savings with the outright purchase of two of the four pieces of mail equipment. Because of the projected future savings, the Department is requesting that the Mail Equipment Purchase line item General Fund appropriation be reduced so that it is more in line with the projected General Fund need.

Impact to Other State Government Agencies:

There will be no impact to the types or quality of services provided to other government agencies by the Division of Central Services as a result of this request.

Current Statutory Authority or Needed Statutory Change:

No statutory changes will be necessary.

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Reduction of Mail Equipment Purchase Line Item
 Priority Number: BR - 1

Dept. Approval by: Ally Cignner 10/12/11
 Date

OSPB Approval by: Erin M. Rubin 10/15/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	333,642	-	333,642	(109,888)	(109,888)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(109,888)	(109,888)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	177,624	-	177,624	-	-
	FF	-	-	-	-	-
4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Mail Equipment Purchase	Total	333,642	-	333,642	(109,888)	(109,888)
	FTE	-	-	-	-	-
	GF	156,018	-	156,018	(109,888)	(109,888)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	177,624	-	177,624	-	-
	FF	-	-	-	-	-

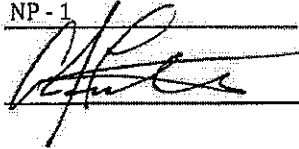
Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: None.
 Reappropriated Funds Source, by Department and Line Item Name: None.
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information: N/A

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Annual Fleet Replacement

Priority Number: NP - 1

Dept. Approval by: 

10/6/11
Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

OSPB Approval by: 

10/18/11
Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	105,089	-	105,089	(15,287)	(15,287)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	105,089	-	105,089	(15,287)	(15,287)
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Vehicle Lease Payments	Total	105,089	-	105,089	(15,287)	(15,287)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	105,089	-	105,089	(15,287)	(15,287)
	FF	-	-	-	-	-

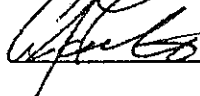
Letternote Text Revision Required for FY 2011-12? Yes: No:
 Letternote Text Revision Required for FY 2012-13? Yes: No:
 Cash or Federal Fund Name and COFRS Fund Number: Various Cash Funds
 Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information: N/A

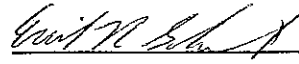
Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: DOC - Parole Request

Priority Number: NP - 2

Dept. Approval by:  10/6/11
 Date

OSPB Approval by:  10/18/11
 Date

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	16,521,437	-	16,521,437	(31,770)	(31,770)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	16,521,437	-	16,521,437	(31,770)	(31,770)
	FF	-	-	-	-	-
(4) Central Services, (C)	Total	16,521,437	-	16,521,437	(31,770)	(31,770)
Fleet Management	FTE	-	-	-	-	-
Program and Motor Pool	GF	-	-	-	-	-
Services, Vehicle	GFE	-	-	-	-	-
Replacement Lease,	CF	-	-	-	-	-
Purchase or	RF	16,521,437	-	16,521,437	(31,770)	(31,770)
Lease/Purchase	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: Fleet Management, Fund 607

Reappropriated Funds Source, by Department and Line Item Name: Department of Corrections

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: EDW Transfer to OIT

Priority Number: NP - 3

Dept. Approval by: 

Date: 10/12/11

OSPB Approval by: 

Date: 10/15/11

- Decision Item FY 2012-13
- Base Reduction Item FY 2012-13
- Supplemental FY 2011-12
- Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	606,216	-	606,216	(94,922)	(94,922)
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	606,216	-	606,216	(94,922)	(94,922)
	FF	-	-	-	-	-
(4) Central Services, (B)	Total	606,216	-	606,216	(94,922)	(94,922)
Integrated Document	FTE	-	-	-	-	-
Solutions, Operating	GF	-	-	-	-	-
Expenses	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	606,216	-	606,216	(94,922)	(94,922)
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2011-12? Yes: No:

Letternote Text Revision Required for FY 2012-13? Yes: No:

Cash or Federal Fund Name and COFRS Fund Number: DPA Revolving Fund, Fund 601

Reappropriated Funds Source, by Department and Line Item Name: All Departments, Operating Expenses

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A