

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 Purchase Line Item	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
Departmental Budget Amendments										
1	BA - 1	Division of Central Services	Capitol Complex Utilities True-Up	No	0.0	\$290,276	\$0	\$290,276	\$0	\$0
2	BA - 2	Division of Central Services	IDS & Denver Spending Authority True-Up	No	0.0	\$0	\$0	\$793,241	(\$793,241)	\$0
Total - Departmental Budget Amendments					0.0	\$290,276	\$0	\$1,083,517	(\$793,241)	\$0
Grand Total					0.0	\$403,722	(\$109,888)	\$1,383,517	(\$869,907)	\$0

**Department of Personnel and Administration
Schedule 11
FY 2011-12 Supplemental Budget Requests**

Schedule 11 - DPA Non-Common Policy								
Priority	Division	Request	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Departmental Supplemental Requests								
S-1	Department-Wide	Appropriation Adjustments	0.0	(\$93,300)	(\$961,128)	\$170,697	\$697,131	\$0
S-3	DCS	Capitol Complex Utilities True-Up	0.0	\$290,276	\$0	\$290,276	\$0	\$0
S-5	DCS	IDS & Denver Spending Authority True-Up	0.0	\$0	\$0	\$793,241	(\$793,241)	\$0
NP	EDO	Annual Fleet True-Up	0.0	(\$22,629)	\$0	\$0	(\$22,629)	\$0
NP	EDO	Common Policy Adjustments	0.0	\$27,433	\$0	\$0	\$27,433	\$0
Total DPA Non-Common Policy Supplemental Requests			0.0	\$201,780	(\$961,128)	\$1,254,214	(\$91,306)	\$0
Schedule 11 - DPA Common Policy								
Priority	Division	Request	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
S-2	State-wide	Common Policy Adjustments	0.0	\$0	\$0	\$0	\$0	\$0
S-4	State-wide	Annual Fleet True-Up	0.0	(\$928,608)	\$0	\$0	(\$928,608)	\$0
S-6	State-wide	American Recovery and Reinvestment Act True-up	7.0	(\$855,478)	(\$666,003)	\$0	(\$189,475)	\$0
Total DPA Common Policy Supplemental Requests			7.0	(\$1,784,086)	(\$666,003)	\$0	(\$1,118,083)	\$0
Total Departmental Supplemental Requests			7.0	(\$1,582,306)	(\$1,627,131)	\$1,254,214	(\$1,209,389)	\$0

**Department of Personnel and Administration
Schedule 12
FY 2012-13 Budget Amendments Request**

Priority	Division	Request	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Departmental Budget Amendments								
BA - 1	DCS	Capitol Complex Utilities True-Up	0.0	\$290,276	\$0	\$290,276	\$0	\$0
BA - 2	DCS	IDS & Denver Spending Authority True-Up	0.0	\$0	\$0	\$793,241	(\$793,241)	\$0
			0.0	\$0	\$0	\$0	\$0	\$0
Total Departmental Budget Amendments			0.0	\$290,276	\$0	\$1,083,517	(\$793,241)	\$0
Statewide Common Policy Budget Amendment Requests								
			0.0	\$0	\$0	\$0	\$0	\$0
			0.0	\$0	\$0	\$0	\$0	\$0
			0.0	\$0	\$0	\$0	\$0	\$0
Total Statewide Common Policy Budget Amendment Requests			0.0	\$0	\$0	\$0	\$0	\$0
Grand Total			0.0	\$290,276	\$0	\$1,083,517	(\$793,241)	\$0

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: Capitol Complex Utilities True-Up
 Priority Number: S - 3, BA - 1

Dept. Approval by: [Signature] ^{12/14/11}
 Date
 OSPB Approval by: [Signature] ^{12/18/11}
 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	3,420,028	290,276	3,420,028	290,276	290,276
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	290,276	-	290,276	290,276
	RF	3,420,028	-	3,420,028	-	-
	FF	-	-	-	-	-
(4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities	Total	3,420,028	290,276	3,420,028	290,276	290,276
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	290,276	-	290,276	290,276
	RF	3,420,028	-	3,420,028	-	-
	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: Fund 610, Capitol Complex 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: The Department proposes the following new letternote associated with the requested spending authority:
" These amounts shall be from revenue generated through an agreement with Xcel Energy.
 The Department suggests that the existing letternote be relabeled as letternote b.

 The Department's FY 2012-13 R - 1 Request "Line Item Consolidation" includes the consolidation of the line item impacted within this request ((4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities). This schedule 13 does not reflect the consolidation of line items proposed within FY 2013-14 for clarity purposes. The Department anticipates that if both this Budget Amendment (BA - 1) and the Department's R - 1 request are approved, the value of the request within this Budget Amendment (BA - 1) will be added to the consolidated line item created within R - 1.



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2012-13 Supplemental & Budget Amendment Request
January 3, 2012*

Kathy Nesbitt
Executive Director

**Department Priority: S – 3, BA - 1
Capitol Complex Utilities True-up**

Summary of Incremental Funding Change for FY 2011-12 and FY 2012-13	Total Funds	General Fund	FTE
Capitol Complex Utilities True-up	\$290,276	\$0	0.0

Request Summary:

The Department of Personnel and Administration is submitting this request for \$290,276 in Cash Funds spending authority for the (4) Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities appropriation. This spending authority is requested for FY 2011-12 and FY 2012-13, ongoing. The additional spending authority is required to recognize the full expense for utilities costs. Previously, the amount did not include revenue earned by the Department for lease revenue received from Xcel.

This request is a technical true-up to recognize the full expense associated with the revenue earned and expended on an annual basis through the Utilities line item for Capitol Complex. In 2004, the Department of Personnel and Administration signed an agreement with Xcel to lease space at the State's power plant for their backup boiler. The boiler is only operational if one of Xcel's primary boilers are offline. At the time the agreement was signed, the Department was using more steam from Xcel than it would take to be offset by the lease revenue, therefore the State was paying for the difference in need and generation (and the respective charge and credits) through a monthly billing. At the time the billing was set up, the State only recognized the expense noted on the bill from Xcel, though it should have recognized the full expense and the additional lease revenue should have been counted as a revenue, not an expenditure offset.

Currently, due to the State's movement toward non-steam-based heat, the steam lease revenue now exceeds the State's consumption and it therefore receives a credit on its utility bills in excess of the bill itself. This credit caused the Controller within the Department of Personnel and Administration to take a second look at the contract that established the lease. This created new data for the Department that it should be recognizing the full utilities expense including the revenue from Xcel to appropriately account for this transaction. In FY 2010-11, the amount of the lease revenue was \$290,276. As this is simply an adjustment for the recognition of expense and revenue, the Department does not require an additional allocation to State agencies through the common policy.

As the State is required to follow generally accepted accounting practices (GAAP), there is no alternative to this request on the technical side. From a budget perspective, the Department considered over-expending the line item but, due to the fact that this is spending authority only and the revenue exists to cover the expense, the Department believes it best to true-up this appropriation for this technical requirement.

In summary, the Department is submitting this request for \$290,276 in Cash Funds spending authority to accurately account for the

expenditure offset that must be undone going forward.

Anticipated Outcomes:

If this request is approved, the Capitol Complex, Utilities appropriation will have sufficient spending authority to recognize the expense associated with this technical true-up.

Assumptions for Calculations:

The Department has used the FY 2010-11 actual revenue amount as the estimate of funding rebated through billings in FY 2011-12.

Consequences if not Funded:

If this request is not approved, the utilities line item will over-expend its appropriation in FY 2011-12 and FY 2012-13.

Relation to Performance Measures:

Not applicable – technical true-up.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

New data.

Current Statutory Authority or Needed Statutory Change:

Section 24-82-101 C.R.S. (2011)

Summary of Steam Credits (Lease Revenue) for FY 2010-11		
Month	Amount	Notes
July	\$23,793	Per Actual
August	\$23,793	Per Actual
September	\$23,793	Per Actual
October	\$23,793	Per Actual
November	\$24,388	Per Actual
December	\$24,388	Per Actual
January	\$24,388	Per Actual
February	\$24,388	Per Actual
March	\$24,388	Per Actual
April	\$24,388	Per Actual
May	\$24,388	Per Actual
June	\$24,388	Per Actual
Total	\$290,276	Annual Amount

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: IDS & Denver Spending Authority True-Up
 Priority Number: S - 5, BA - 2

Dept. Approval by: *John C. [Signature]* 12/10/11
 Date
 OSPB Approval by: *Frank R. [Signature]* 12/18/11
 Date

- | |
|---|
| <input type="checkbox"/> Decision Item FY 2012-13 |
| <input type="checkbox"/> Base Reduction Item FY 2012-13 |
| <input checked="" type="checkbox"/> Supplemental FY 2011-12 |
| <input checked="" 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	12,899,086	-	12,910,133	-	-
	FTE	20.6	-	20.6	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	236,341	793,241	236,341	793,241	793,241
	RF	12,662,745	(793,241)	12,673,792	(793,241)	(793,241)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics, Personal Services	Total	991,777	-	1,008,537	-	-
	FTE	20.6	-	20.6	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	46,212	12,265	46,212	12,265	12,265
	RF	945,565	(12,265)	962,325	(12,265)	(12,265)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (1) Reprographics, Operating Expenses	Total	3,511,352	-	3,505,639	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	118,129	218,496	118,129	218,496	218,496
	RF	3,393,223	(218,496)	3,387,510	(218,496)	(218,496)
	FF	-	-	-	-	-
(4) Division of Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses	Total	8,395,957	-	8,395,957	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	72,000	562,480	72,000	562,480	562,480
	RF	8,323,957	(562,480)	8,323,957	(562,480)	(562,480)
	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: Fund 601, DPA Revolving Fund
 Reappropriated Funds Source, by Department and Line Item Name: Fees from User Agencies

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
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:		The Department's FY 2012-13 R - 1 Request "Line Item Consolidation" includes the consolidation of the line item impacted within this request ((4) Division of Central Services, (D) Facilities Maintenance, (1) Capitol Complex Facilities, Utilities). This schedule 13 does not reflect the consolidation of line items proposed within FY 2013-14 for clarity purposes. The Department anticipates that if both this Budget Amendment (BA - 2) and the Department's R - 1 request are approved, the value of the request within this Budget Amendment (BA - 2) will be added to the consolidated line item created within R - 1.				



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

*FY 2012-13 Supplemental & Budget Amendment Request
January 3, 2012*

*John W. Hickenlooper
Governor*

*Kathy Nesbitt
Executive Director*

**Department Priority: S - 5, BA - 2
IDS & Denver Spending Authority True-Up**

Summary of Incremental Funding Change for FY 2011-12 and FY 2012-13	Total Funds	General Fund	FTE
Integrated Document Solutions Programs	\$0	\$0	0.0

Request Summary:

The Department of Personnel and Administration is seeking a refinance of \$793,241 in Reappropriated Funds to Cash Funds within its Integrated Document Solutions programs. This refinance will allow the Department to accurately reflect the amount of work and spending authority required in FY 2011-12 and 2012-13 to provide the City and County of Denver service.

In FY 2009-10, the Department of Personnel and Administration began copying, printing, and mail services work for the City and County of Denver in an effort to decrease the per unit costs for all its customers. At that time, the City and County, and therefore the Department itself, did not have reasonable data to project the total need. Now that the Department has historical data to more accurately project the total need, the Department must submit this supplemental request to true-up the Cash Funds portion of its spending authority.

During the summer of 2010, the Division of Central Services was approached by officials from the City and County of Denver with a request to aid in a Request for Proposal (RFP) to out-source their mail and printing needs. At the time, the personnel within the Division of Central Services were only providing the information necessary for the City and County of Denver to write a request that would satisfy their needs in the near- and long-term. However, as the relationship progressed, the officials from the

City and County of Denver realized that the State could provide all of the goods and services necessary with the savings they had imagined when they first considered out-sourcing the projects. In addition, as this project allowed State government to help city and local governments, the efficiencies and savings generated by this relationship represented a greater overall savings to the taxpayer.

After a number of meetings with the officials from the City and County of Denver, the Department finalized an agreement in late October of 2010 to provide the goods and services required beginning on January 1, 2011. At the time of the agreement, the City and County of Denver provided initial estimates of the volume that they estimated would be processed by month for the remainder of FY 2010-11. At that time, the Department applied its existing rates to the new volume to determine the amount of spending authority that must be refinanced to account for the necessary transactions.

As the relationship between the various programs within the Integrated Document Solutions and the City and County of Denver developed, additional work, primarily in the Mail Services program, was identified and transferred from the City and County to the Division of Central Services. As the City and County of Denver is not an entity of the State, and therefore not subject to

appropriation by the Legislature, the funding that is earned through them is considered Cash Funds spending authority as it relates to the accounting requirements of the State. Therefore, even though this additional work provides more volume for the program to drive down the cost of production due to the program's ability to defray fixed costs, it also increases the amount of Cash Funds spending authority required to perform the work. The goal of this supplemental is to true-up that spending authority as it has been identified through actual work metrics.

The Department would like to note that this request is a refinance of its current funding due to an analysis of need performed by the Department. During the development of this supplemental, the Department recognized that the work associated with the various agencies of State government was decreasing in volume, while the work associated with the City & County of Denver was increasing. Therefore, the Department does not need an overall increase in spending authority, but rather a refinancing of its current amount.

There are a number of potential alternatives to this request. If it is not approved, the Department could go forward with the work from the City and County of Denver but incur a technical over-expenditure at the end of the fiscal year due to the disproportionate expense of Cash Funds relative to Reappropriated Funds. Another alternative would be to discontinue the work for the City and County of Denver, but the Department feels that the resulting increase in costs would not be preferable given the financial health of the state and local governments. In addition, the Department believes that refusing the work from the City and County of Denver is contrary to the intent of HB 09-1150.

In summary, the Department is requesting to refinance \$793,241 in Reappropriated Funds to Cash Funds so that it can accurately account for the work required by the City and County of Denver.

Anticipated Outcomes:

If this request is approved, the Department will continue to serve the City and County of Denver's needs and drive down its rates for all of its customers.

Assumptions for Calculations:

The Department has used the past ten months of actual workload and annualized it to a full year to calculate a total need. As some of the billings included the combination of Personal Services and Operating Expenses, the Department used its actual cost estimates for average production as well as its average cost per hour of labor to develop the necessary estimates. The total need was then compared to the FY 2011-12 appropriation to calculate the incremental need, as presented in this request. The Department does not need any additional FTE for this request. Please see the tables at the end of this request for more detailed information.

Consequences if not Funded:

If this request is not funded, the Department of Personnel and Administration will experience a technical over-expenditure in the associated line items. If the Department is directed to discontinue work for the City and County of Denver, then the marginal cost of production may increase for the remaining customer base, therefore increasing costs to individual agencies. In addition to this impact, the City and County of Denver would be faced with the prospect of losing nearly all of its production capacity for the documents it needs to conduct its ongoing business as they no longer have the equipment and infrastructure required to fill its own needs.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

New Data

Current Statutory Authority or Needed Statutory Change:

[In one paragraph, briefly summarize the existing statutory authorization for this request, and specifically identify if this request will necessitate a statutory change.]

Summary of IDS & Denver Spending Authority True-up					
Line Item	Total Funds	GF	CF	RF	FF
Total Request	\$0	\$0	\$793,241	(\$793,241)	\$0
(4) Central Services, (B) Integrated Document Solutions, (1) Reprographics, Personal Services	\$0	\$0	\$12,265	(\$12,265)	\$0
(4) Central Services, (B) Integrated Document Solutions, (1) Reprographics, Operating Expenses	\$0	\$0	\$218,496	(\$218,496)	\$0
(4) Central Services, (B) Integrated Document Solutions, (3) Mail Services, Operating Expenses	\$0	\$0	\$562,480	(\$562,480)	\$0

Calculation of Reprographics Personal Services Need			
Row	Description	Amount	Notes
1	10 Month Actual Spend	\$296,933.97	Includes Personal Services, Operating, and COGS
2	Average Cost of Production	\$0.022	Per IDS Actual
3	10 Month Total Impressions	13,496,999	Row 1 / Row 2
4	# of Sheets Multiplier	0.7	Per actual and is less than one due to double sided print
5	10 Month Total Sheets Required	9,447,899	Row 3 * Row 4
6	Avg. Sheets per Hour of Labor	9,000	Per IDS Actual
7	# of Hours Required	1,050	Row 5 / Row 6
8	Avg. Loaded Labor Cost	46.41	Per IDS Actual
9	10 Month Personal Services Need	\$48,731	Row 7 * Row 8
10	12 Month Personal Services Need	\$58,477	Row 9 * (12 / 10)
11	FY 2011-12 Cash Appropriation	\$46,212	Per SB 209 (Long Bill)
12	Incremental Need	\$12,265	Row 10 - Row 11

Calculation of Reprographics Operating Expenses Need			
Row	Description	Amount	Notes
1	10 Month Actual Spend	\$296,933.97	Includes Personal Services, Operating, and COGS
2	Average Cost of Production	\$0.022	Per IDS Actual
3	10 Month Total Impressions	13,496,999	Row 1 / Row 2
4	12 Month Total Impressions	16,196,399	Row 3 * (12 / 10)
5	Average Cost per Impression	\$0.008	Per IDS Actual
6	12 Month Cost for Impressions	\$129,571	Row 4 * Row 5
7	# of Sheets Multiplier	0.7	Per actual and is less than one due to double sided print
8	10 Month Total Sheets Required	9,447,899	Row 3 * Row 7
9	12 Month Total Sheets Required	11,337,479	Row 8 * (12 / 10)

Calculation of Reprographics Operating Expenses Need			
Row	Description	Amount	Notes
10	Average Cost per Sheet	\$0.007	Per IDS Actual
11	12 Month Cost for Sheets	\$79,362	Row 9 * Row 10
12	10 Months Commercial Printing	\$106,410	Per IDS Actual
13	12 Month Cost for Commercial Printing	\$127,692	Row 12 * (12 / 10)
14	Total Operating Need	\$336,625	Sum of Rows 6, 11, and 13
15	FY 2011-12 Cash Appropriation	\$118,129	Per SB 209 (Long Bill)
16	Incremental Operating Expenses Need	\$218,496	Row 15 - Row 14

Calculation of Mail Operating Expenses Need			
Row	Description	Amount	Notes
1	10 Month Actual Utilization	1,212,836	Per IDS Actual
2	12 Month Projected Utilization	1,455,403	Row 1 * (12 / 10)
3	Average Cost per Unit	0.0419	Per IDS Actual
4	12 Month Total Cost	60,981	Row 2 * Row 3
5	10 Month Postage Utilization	\$477,916	Per IDS Actual
6	12 Month Projected Utilization	\$573,499	Row 5 * (12 / 10)
7	Total Operating Need	\$634,480	Row 4 + Row 6
8	FY 2011-12 Cash Appropriation	\$72,000	Per SB 209 (Long Bill)
9	Incremental Operating Expenses Need	\$562,480	Row 7 - Row 8

Schedule 13
Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: OIT Communications Services Payments Utilities Increase

Priority Number: NP-

Dept. Approval by: *[Signature]* 12/19/11
 Date

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

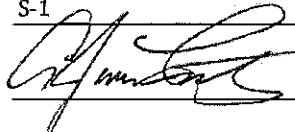
OSPB Approval by: *[Signature]* 12/27/11
 Date

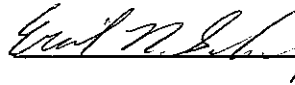
Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	889	-	1,676	6	6
	FTE	-	-	-	-	-
	GF	889	-	838	3	3
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	838	3	3
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Communications Services Payments	Total	889	-	1,676	6	6
	FTE	-	-	-	-	-
	GF	889	-	838	3	3
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	838	3	3
	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:
 Reappropriated Funds Source, by Department and Line Item Name: Indirect Cost Recoveries and Fees from User Agencies
 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: FY 2011-12 Appropriation Adjustments
 Priority Number: S-1

Dept. Approval by:  12/22/11
 Date

OSPB Approval by:  12/22/11
 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	8,602,283	(93,300)	6,190,714	-	-
	FTE	37.0	-	-	-	-
	GF	2,435,680	(961,128)	2,878,945	-	-
	GFE	-	-	-	-	-
	CF	848,648	170,697	525,034	-	-
	RF	5,317,955	697,131	2,786,735	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Workers' Compensation	Total	216,983	-	240,133	-	-
	FTE	-	-	-	-	-
	GF	53,860	4,770	65,773	-	-
	GFE	-	-	-	-	-
	CF	7,881	10,924	20,706	-	-
	RF	155,242	(15,694)	153,654	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Legal Services	Total	194,045	-	194,045	-	-
	FTE	-	-	-	-	-
	GF	126,759	37,512	148,040	-	-
	GFE	-	-	-	-	-
	CF	67,286	6,965	8,325	-	-
	RF	-	(44,477)	37,680	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Purchase of Services from Computer Center	Total	2,631,147	-	129,921	-	-
	FTE	-	-	-	-	-
	GF	-	-	74,440	-	-
	GFE	-	-	-	-	-
	CF	323,612	(29,664)	5,475	-	-
	RF	2,307,535	29,664	50,006	-	-
	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
(1) Executive Director's Office, (A) Department Administration, Management and Administration of OIT	Total	92,896	-	34,626	-	-
	FTE	-	-	-	-	-
	GF	10,949	14,153	9,484	-	-
	GFE	-	-	-	-	-
	CF	8,307	(256)	2,986	-	-
	RF	73,640	(13,897)	22,156	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Payments to Risk Management and Property Funds	Total	463,141	-	646,779	-	-
	FTE	-	-	-	-	-
	GF	-	125,140	177,156	-	-
	GFE	-	-	-	-	-
	CF	45,846	(5,706)	55,770	-	-
	RF	417,295	(119,434)	413,853	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Leased Space	Total	1,270,593	-	1,270,593	-	-
	FTE	-	-	-	-	-
	GF	-	454,781	454,781	-	-
	GFE	-	-	-	-	-
	CF	17,163	-	88,570	-	-
	RF	1,253,430	(454,781)	727,242	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Capitol Complex Leased Space	Total	846,033	-	941,594	-	-
	FTE	-	-	-	-	-
	GF	-	-	687,057	-	-
	GFE	-	-	-	-	-
	CF	-	33,434	37,015	-	-
	RF	846,033	(33,434)	217,522	-	-
	FF	-	-	-	-	-
(2) Division of Human Resources, (A) Human Resources Services, (2) Training Services, Indirect Cost Assessment	Total	9,414	-	13,898	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	9,414	-	13,898	-	-
	FF	-	-	-	-	-
(5) Division of Accounts and Control - Controller, (A) Office of the State Controller, Personal Services	Total	2,650,250	-	2,588,850	-	-
	FTE	37.0	-	-	-	-
	GF	2,243,399	(1,597,484)	1,262,214	-	-
	GFE	-	-	-	-	-
	CF	272,555	155,000	200,189	-	-
	RF	134,296	1,442,484	1,126,447	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
		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
	Fund					
(5) Division of Accounts and Control – Controller, (A) Office of the State Controller, Operating Expenses	Total	227,781	(93,300)	130,275	-	-
	FTE	-	-	-	-	-
	GF	713	-	-	-	-
	GFE	-	-	-	-	-
	CF	105,998	-	105,998	-	-
	RF	121,070	(93,300)	24,277	-	-
	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:
 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: N/A

Requested Letternote Revisions for FY 2011-12:

(1) Executive Director's Office, (A) Department Administration, Legal Services

"b": Assignment of Letternote "b" to new CF appropriation which already exists for other line items in this group.

(1) Executive Director's Office, (A) Department Administration, Purchase of Services from Computer Center

"d": Increase user fee source by \$707,881 (GGCC); reduce indirect cost recoveries from CDOT by \$227,480 (GGCC); reduce statewide indirect cost recoveries from DPA by \$450,737.

(1) Executive Director's Office, (A) Department Administration, Capitol Complex Leased Space

"b": Assignment of Letternote "b" to new CF appropriation which already exists for other line items in this group.
 "e": Decrease user fees by \$354,441; increase statewide indirects from DPA by \$321,007.

(2) Division of Human Resources, (A) Human Resources Services, (2) Training Services, Indirect Cost Assessment

"c": Eliminate attachment to this letternote (indirect cost recoveries) and assign to letternote "b" (training revenue from state agencies).

(5) Division of Accounts and Control – Controller, (A) Office of the State Controller, Personal Services

"a" Increase P-Card Rebates by \$155,000.
 "b" Increase (add) user fees to letternote in the amount of \$962,741 (a transfer from Higher Education/the University of Colorado); increase (add) other statewide indirects (CDOT) to letternote

(5) Division of Accounts and Control – Controller, (B) State Purchasing Office, Personal Services AND Operating Expenses

"a" Decrease rebates from the PCard Program in the amount of \$155,000; increase (add) Reimbursements from WSCA in the amount of \$155,000.





DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

*FY 2011-12 Supplemental
January 3, 2012*

Department Priority: S-1 Appropriation Adjustments

Summary of Incremental Funding Change for FY 2011-12	Total Funds	General Fund	FTE
Appropriation Adjustments	(\$93,300)	(\$961,128)	0.0

Request Summary:

The Department requests cumulative adjustments in the FY 2011-12 Long Bill to various line items in the amount of (\$93,300), of which \$961,128 is a reduction of General Fund, \$170,697 is an increase of Cash Funds, and an increase of \$697,131 is Reappropriated Funds, and associated refinancing of user fees and indirect cost recoveries. The requested funding adjustments result from the need to make corrections to various line item totals, fund sources, and/or letternote language. Additionally, various opportunities to refinance line items are presented. Impacted divisions include the Executive Director's Office, the Division of Human Resources, and the Division of Accounts and Controls – Controller.

Funding Adjustments to the Long Bill

The following sections are requested technical funding adjustments to the Long Bill. The corrections will allow the Department to operate its FY 2011-12 budget in an equitable manner.

1) Executive Director's Office, (A) Department Administration

Upon receiving a total appropriation amount for each centrally appropriated line item (common policies in the EDO), the Department historically

applies internal allocations to programs to bill them for their equitable share/usage of the centrally appropriated line items. However, the FY 2011-12 Long Bill includes fund splits for certain line items that do not accurately reflect program usage.

In some cases, General Fund, indirect cost recoveries, and fees from user agencies were appropriated interchangeably in the Long Bill, requiring the Department to either over- or under-recover from programs, compared to an equitable allocation. In many cases, statewide indirect cost recoveries were over-applied in the Executive Director's Office, and General Fund was under-applied. In other cases, user fees were over-applied. The shifting of the balance of General Fund, user fees, and statewide indirects resulted in the need to refinance lines in other divisions. The ratio of cash funds to other sources also did not reflect true program usage and requires adjustment in a few EDO line items.

The Department requests corrections to a select number of these lines in which the inaccurate fund splits will have the most negative impact:

Workers' Compensation

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	216,983	216,983	-
GF	53,860	58,630	4,770
CF	7,881	18,805	10,924
RF	155,242	139,548	(15,694)
<i>RF (user fees)</i>	155,242	139,548	(15,694)
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Workers' Compensation Conforming Letternote Revisions:

“b”, and “c”: No revisions necessary; the Long Bill letternote does not specify amounts.

Legal Services

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	194,045	194,045	-
GF	126,759	164,271	37,512
CF	-	6,965	6,965
RF	67,286	22,809	(44,477)
<i>RF (user fees)</i>	67,286	22,809	(44,477)
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Legal Services Conforming Letternote Revisions:

“b”: Assignment of Letternote “b” to CF source which already exists for other line items in this group.

“c”: No revisions necessary; the Long Bill letternote does not specify amounts.

Purchase of Services from Computer Center

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	2,631,147	2,631,147	-
GF	-	-	-
CF	323,612	293,948	(29,664)
RF	2,307,535	2,337,199	29,664
<i>RF (user fees)</i>	986,400	1,694,281	707,881
<i>RF (indirects) - Other State</i>	870,398	642,918	(227,480)
<i>RF (indirects) - DPA</i>	450,737	-	(450,737)

Purchase of Services from Computer Center Conforming Letternote Revisions:

“b”: No revisions necessary; the Long Bill letternote does not specify amounts.

“d”: Increase user fee source by \$707,881 (GGCC); reduce indirect cost recoveries from CDOT by \$227,480 (GGCC); reduce indirect cost recoveries by \$450,737.

Management and Administration of OIT

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	92,896	92,896	-
GF	10,949	25,102	14,153
CF	8,307	8,051	(256)
RF	73,640	59,743	(13,897)
<i>RF (user fees)</i>	73,640	59,743	(13,897)
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Management and Administration of OIT
Conforming Letternote Revisions:

“b”: No revisions necessary; the Long Bill letternote does not specify amounts.

“c”: No revisions necessary; the Long Bill letternote does not specify amounts.

Payments to Risk Management and Property

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	463,141	463,141	-
GF	-	125,140	125,140
CF	45,846	40,140	(5,706)
RF	417,295	297,861	(119,434)
<i>RF (user fees)</i>	417,295	297,861	(119,434)
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Payments to Risk Management and Property
Conforming Letternote Revisions:

“b”: No revisions necessary; the Long Bill letternote does not specify amounts.

“c”: No revisions necessary; the Long bill letternote does not specify amounts.

Leased Space

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	1,270,593	1,270,593	-
GF	-	454,781	454,781
CF	17,163	17,163	
RF	1,253,430	798,649	(454,781)
<i>RF (user fees)</i>	1,253,430	798,649	(454,781)
<i>RF (indirects) - Other State</i>	-	-	
<i>RF (indirects) - DPA</i>	-	-	

Payments to Leased Space Conforming
Letternote Revisions:

“b”: No revisions necessary; the Long Bill letternote does not specify amounts.

“c”: No revisions necessary; the Long Bill letternote does not specify amounts.

Capitol Complex Leased Space

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	846,033	846,033	-
GF	-	-	
CF	-	33,434	33,434
RF	846,033	812,599	(33,434)
<i>RF (user fees)</i>	585,208	230,767	(354,441)
<i>RF (indirects) - Other State</i>	-	-	
<i>RF (indirects) - DPA</i>	260,825	581,832	321,007

Payments to Capitol Complex Leased Space
Conforming Letternote Revisions:

“b”: No revisions necessary; the Long Bill letternote does not specify amounts.

“e”: Decrease user fees by \$354,441; increase indirects by \$321,007.

(2) Division of Human Resources, (A) Human Resources Services, (2) Training Services, Indirect Cost Assessment

The letternote “c” attached to the appropriation for this line item specified that the source shall be from indirect cost recoveries. This letternote should be replaced with a “b”, indicating that the source shall be from training revenue from state agencies.

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	9,414	9,414	-
GF	-	-	-
CF	-	-	-
RF	9,414	9,414	-
<i>RF (user fees)</i>	-	9,414	9,414
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	9,414	-	(9,414)

Human Resources, Training Services, Indirect Cost Assessment Conforming Letternote Revisions:

“c”: Eliminate attachment to this letternote (indirect cost recoveries) and assign to letternote “b” (training revenue from state agencies). The letternote “c” can then be eliminated.

(5) Division of Accounts and Control – Controller, (A) Office of the State Controller, Personal Services

1) A backfill from the University of Colorado in the amount of \$962,741 Reappropriated Funds in lieu of Procurement Card (P-Card) revenues should have been used to offset a corresponding General Fund amount, and referenced through a new letternote. Due to the University of Colorado opting out of the statewide P-Card Program, the State is no longer able to receive P-Card rebates on purchases made by the University of Colorado; rebates which are traditionally used to fund the majority of the Office of the State Controller, and the State Purchasing Office.

House Bill 10-1181 authorized the transfer of \$464,363 from the University of Colorado to the Department in FY 2010-11 in order to offset the Department’s lost revenue as a result of the University opting out of the statewide P-Card Program. House Bill 10-1181 requires the initial transfer amount to be

annualized each year until the University’s indirect cost assessment is no longer being reduced by the P-Card rebate under the Budget and Cash Fees Cost Allocation Plan three year lag. The University must transfer an annualized amount of \$962,741 to the Department in FY 2011-12. This amount was identified in the Department’s FY 2011-12 Reconciliation for the Office of the State Controller, Personal Services line item.

The resulting correction requested is an increase of \$962,741 Reappropriated Funds (transferred revenues from the University of Colorado), and a corresponding decrease of General Fund in the Office of the State Controller, Personal Services line item. The associated letternote ‘b’ should be revised to reflect the correction as well.

2) Excluding the enactment of SB 11-076 (PERA 2.5% Reduction), an additional \$29,233 in indirect cost recoveries was available that had not been appropriated in the Long Bill and could offset a corresponding General Fund amount (of which \$9,414 was incorrectly appropriated to the Division of Human Resources, Training, Indirect Cost Assessment line item.) \$2,743,222 was available, but only \$2,723,403 was appropriated department-wide.

\$2,723,403 (Long Bill) - \$2,743,222 (Available DPA Indirects) - \$9,414 (over-appropriated to DHR Training Indirect Cost Assessment) = **(\$29,233) additional available DPA statewide indirects before SB 11-076.**

After factoring the impact of SB 11-076 into the line items appropriations, \$19,031 is now over-appropriated in indirect cost recoveries. The over-appropriation is due to the originally requested General Fund offset of \$38,850 in the Office of the State Controller, Personal Services line item which corresponded to a statewide indirect cost recoveries reduction in

the Division of Human Resources, State Agency Services, Personal Services, being applied through SB 11-076. The offset was based on the Department's assumption in its Schedule 13 for the Statewide PERA adjustment that State Agency Services would be funded through DPA statewide indirect cost recoveries rather than other statewide indirect cost recoveries (which cannot be offset).

\$2,723,403 (Long Bill) + \$38,850 (Implied through SB 11-076) = \$2,762,253 FY 12 Appropriation - \$2,743,222 (Available DPA Indirects) = **\$19,031 Over-appropriated DPA statewide indirects.**

- 3) Further balancing of indirect cost recoveries and other statewide indirect recoveries, as a result of multiple changes to common policy allocations in the Executive Director's Office that refinance many Cash Fund, General Fund, and Statewide Indirect Cost Recoveries (both DPA and Other).

These changes include: \$266,330 General Fund refinanced to CDOT and Department of State statewide indirects; and \$139,144 General Fund refinanced to indirect cost recoveries.

- 4) A refinance of \$93,300 from General Fund to Reappropriated Funds (DPA Statewide Indirects) is requested, corresponding to the reduction of the same amount in OSC Operating Reappropriated Funds (DPA Statewide Indirects). This amount was granted in Operating through Figure Setting for FY 2011-12 Budget Amendment – 2: "IRS Three Percent Vendor Withholding Implementation." However, in November, Congress repealed the three percent withholding requirement, so the funds are no longer needed for compliance. Because there was no General Fund to refinance in Operating, the refinance is reflected in Personal Services.

Refinance of WSCA Revenue from P-Card Revenue Based on New Information

- 5) Unlike the preceding sections which are requested technical funding adjustments to the Long Bill, the following section applies to a new opportunity to take advantage of an additional revenue source that is available to the State for its current efforts in purchasing on behalf of the Western States Contracting Alliance (WSCA).

The Department uses P-Card rebates as a means to offset what would otherwise be General Fund needs. To the extent that greater rebates are available in a year, it is possible to reduce General Fund in the Department by the same amount. Similarly, a reduction in P-Card rebates would require a backfill of General Fund. In the item below, an increase in P-Card rebates is not anticipated, however, an increase in another cash source makes it possible to offset P-Card rebates and then allocate the freed up P-Card rebates to a source otherwise dependent on General Fund.

A refinance of \$155,000 from General Fund to Cash Funds (P-Card Rebates) is requested, corresponding to a reduction in the P-Card appropriation of the same amount in SPO Personal Services and Operating. It is possible to reduce (offset) the P-Card appropriation in SPO Personal Services and Operating and apply it in OSC Personal Services because of the availability WSCA reimbursements for Colorado's participation as a Lead State and for its Sourcing Teams through WSCA. Additional background about the WSCA reimbursements is provided below under the State Purchasing Office section.

Office of the State Controller, Personal Services Conforming Letternote Revisions:

"a" Increase P-Card Rebates by \$155,000.

“b” Increase (add) user fees to letternote in the amount of \$962,741 (a transfer from Higher Education/the University of Colorado); increase (add) other statewide indirects (CDOT) to letternote in amount of \$266,330; increase indirect cost recoveries letternote by \$213,413. *Note that the balance of the amount of statewide indirects from DPA needed in this line item comes from the implied source of DPA indirects in SB 11-076.*

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	2,650,250	2,650,250	-
GF	2,243,399	645,915	(1,597,484)
CF	272,555	427,555	155,000
RF	134,296	1,576,780	1,442,484
<i>RF (user fees)</i>	-	962,741	962,741
<i>RF (indirects) - Other State</i>	-	266,330	266,330
<i>RF (indirects) - DPA</i>	134,296	347,709	213,413

Please see “Appendix 1 – Office of the State Controller Personal Services Adjustments” for details regarding calculations.

(5) Division of Accounts and Control – Controller, (A) Office of the State Controller, Operating Expenses

As mentioned under #4 of the OSC Personal Services section above, a reduction of \$93,300 (Reappropriated Funds from DPA indirects) is requested in the Operating Expenses line item. This is due to the Congressional repeal of the three percent withholding requirement in November 2011 making the funds no longer necessary for compliance. Because there was no General Fund to refinance in Operating, the refinance is reflected in Personal Services. This amount was granted through the FY 2011-12

Budget Amendment – 2: “IRS Three Percent Vendor Withholding Implementation.”

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	227,781	134,481	(93,300)
GF	713	713	-
CF	105,998	105,998	-
RF	121,070	27,770	(93,300)
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	121,070	27,770	(93,300)

(5) Division of Accounts and Control – Controller, (A) State Purchasing Office, Personal Services and Operating Expenses

As mentioned above in the Office of the State Controller Personal Services section #5, a refinance from P-Card Rebates (Cash Funds) to WSCA Reimbursements (Cash Funds) is requested in Personal Services and Operating Expenses in the amount of \$155,000. The current letternote associated with P-Card Rebates applies interchangeably to Personal Services and Operating, and it is expected that reference to WSCA Reimbursements would too. The newly freed P-Card Rebate revenues would now be available for application in OSC Personal Services (to reduce General Fund).

As a member of WSCA, the State is eligible for reimbursement for its efforts expended towards being a Lead State. A Lead State leads the procurement, issues the solicitation and awards the contracts based on that state's statutory requirements and processes. The Lead State owns and manages the contract(s). Other participating states benefit from these efforts, and therefore, the Lead State can be reimbursed. Colorado is the Lead State for its management of the Body Armor contract (\$45,000), and for eProcurement (\$50,000).

Colorado also has members that participate on Sourcing Teams. Sourcing Teams are comprised of procurement and subject matter professionals from multiple states. The teams develop cooperative purchasing opportunities. Sourcing Teams are eligible to be reimbursed by WSCA for \$5,000 to \$10,000 per member. The State Purchasing Office estimates reimbursements in the amount of \$60,000 per year for its members.

Total annual WSCA reimbursements are estimated at \$155,000 for Lead State and Sourcing Team membership activities.

Personal Services

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	788,727	788,727	-
GF	-	-	-
CF	788,727	788,727	-
RF	-	-	-
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Operating Expenses

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	27,000	27,000	-
GF	-	-	-
CF	27,000	27,000	-
RF	-	-	-
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other State</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

State Purchasing Office, Personal Services and Operating Conforming Letternote Revision:

“a” Decrease rebates from the P-Card Program in the amount of \$155,000; increase (add) Reimbursements from WSCA in the amount of \$155,000.

In summary, the Department requests total appropriation adjustments as reflected below:

Total DPA Requested Adjustments

	FY 12 Total	Requested Final Total	Suppl. Correction
Total Funds	9,418,010	9,324,710	(93,300)
GF	2,435,680	1,474,552	(961,128)
CF	1,597,089	1,767,786	170,697
RF	5,385,241	6,082,372	697,131
<i>RF (user fees)</i>	3,538,501	4,215,813	677,312
<i>RF (indirects) - Other State</i>	870,398	909,248	38,850
<i>RF (indirects) - DPA</i>	976,342	957,311	(19,031)

Anticipated Outcomes:

The corrections identified in this request represent only those that are most critical to allow the Department to continue to operate in an appropriate accounting and budgetary manner.

The adjustments in the Executive Director’s Office would correct fund splits that are currently skewed to a level that have presented several tangible hardships for the Department. In most cases, Reappropriated Funds are greatly over-appropriated, which will result in the need for the Department to over-collect user fees or utilize statewide indirect cost recoveries that were not otherwise appropriate or necessary. The over-collection of fees is inequitable and does not conform with the level of services used by those charged.

Anticipated Outcomes of adjusting the Division of Human Resources Training Indirect Cost Assessment line item include the correction of a technical error that prevents the Department from collecting revenues from the appropriate source and causes imbalance to overall indirect cost recovery appropriation.

Anticipated Outcomes of adjustments in the State Controller's Office include distributing statewide indirect cost recoveries to equal what was actually available but not appropriated in the Long Bill, as well as balancing the available indirect cost recoveries that were otherwise inappropriately applied in the Long Bill originally.

Refinancing of General Fund to cash funds revenue from the University of Colorado to the Office of the State Controller to backfill P-Card revenues will result in a reduction of \$962,741 General Fund, which will offset other adjustments in this request and return additional General Fund to the state budget.

Finally, refinancing of P-Card Rebates to WSCA Reimbursements will ultimately allow for a reduction in General Fund need, due to the application of P-Card Rebates in previously Generally Funded areas (the OSC).

Assumptions for Calculations:

Fund split adjustments were determined through the Department's annual internal allocation distribution methodology. Each year, the Department reviews prior usage of centrally appropriated line items, and distributes allocations accordingly. Methodology varies from line item to line item, but can be based on FTE, square footage, past year usage, or average usage.

Adjustments in the Office of the State Controller were made based on observation of the omission of the CU P-Card revenue backfill, as well as an assessment of where to redistribute Indirect Cost Recoveries after other adjustments were requested, and finally, new information resulting

from the repeal of the federal three percent vendor withholding requirement.

Specific calculations for the Office of the State Controller Personal Services adjustments can be found in "Appendix 1 – Office of the State Controller Personal Services Adjustments."

Consequences if not Funded:

If centrally appropriated line items in the Executive Director's Office are not adjusted, the Department will have to operate based on fund split mixes that are highly distorted and not reflective of true customer usage or cost. Programs within the Department have already set rates to equal what should have been the appropriate fund mix for overhead (including these four line items), and the overstatement of user fees will result in Programs having to change their rates mid-year and pass off high rates to its customers.

Other complications have included Fund Balance concerns, and the possibility that the Federal Government will look unfavorably upon these levels and the justification for the methods in which the rates and fees are set. Additionally, hiring decisions could be placed on hold, pending resolution of the greatly distorted fund split appropriations.

If the \$962,741 is not refinanced from General Fund to Cash Funds in the Office of the State Controller for the backfill of P-Card revenues, there will be no impact to the program, however, the opportunity to save this large amount of General Fund will be permanently lost.

Without the ability to accept and expend WSCA Reimbursements, the State will lose the opportunity to be reimbursed for its significant efforts towards Lead State and Sourcing Team activities. It will also lose the opportunity to return a corresponding amount of General Fund (\$155,000) as a result.

Impact to Other State Government Agency:

This request impacts other state governments agencies in that the extremely high levels of user

fees appropriated in the Long Bill will inevitably have to be passed on to customers that do business with DPA.

Cash Fund Projections:

Not applicable; this request seeks to adjust fund splits largely related to user fees, statewide indirect cost recoveries, and General Fund. P-Card Rebate availability remains static; the distribution simply shifts.

Relation to Performance Measures:

Not applicable; this is a request to correct various appropriation oversights in the Long Bill.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

This request meets Supplemental criteria in that the current appropriations have several direct, serious implications for day to day operations within the Department. Waiting for a correction of these issues in FY 2012-13 will result in the Department having to overcharge for services/raise rates artificially to meet the user fee revenues appropriated in the current year. Additionally, hiring decisions could be placed on hold, and fund balance management is very difficult. It is very likely that the federal government will take action as a result of fund balance problems stemming from inequitable fee structures.

The repeal of the federal three percent vendor withholding requirement was only passed in November, and therefore, this is the Department's earliest opportunity to request a funding adjustment as a result.

Current Statutory Authority or Needed Statutory Change:

Not statutory changes will be required as a result of this change request.

Appropriation Adjustments

TOTAL FY 12 APPROP	SUGGESTED FINAL TOTAL	SUPPLEMENTAL CORRECTION
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(1) Executive Director's Office

(A) Department Administration

Workers' Compensation	216,983	216,983	-
GF	53,860	58,630	4,770
CF	7,881	18,805	10,924
RF	155,242	139,548	(15,694)
<i>RF (user fees)</i>	155,242	139,548	(15,694)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Legal Services	194,045	194,045	-
GF	126,759	164,271	37,512
CF	-	6,965	6,965
RF	67,286	22,809	(44,477)
<i>RF (user fees)</i>	67,286	22,809	(44,477)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Purchase of Services from Computer Center	2,631,147	2,631,147	-
GF	-	-	-
CF	323,612	293,948	(29,664)
RF	2,307,535	2,337,199	29,664
<i>RF (user fees)</i>	986,400	1,694,281	707,881
<i>RF (indirects) - Other Statewide</i>	870,398	642,918	(227,480)
<i>RF (indirects) - DPA</i>	450,737	-	(450,737)

Management and Administration of OIT	92,896	92,896	-
GF	10,949	25,102	14,153
CF	8,307	8,051	(256)
RF	73,640	59,743	(13,897)
<i>RF (user fees)</i>	73,640	59,743	(13,897)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Payment to Risk Mgmt. and Property Funds	463,141	463,141	-
GF	-	125,140	125,140
CF	45,846	40,140	(5,706)
RF	417,295	297,861	(119,434)
<i>RF (user fees)</i>	417,295	297,861	(119,434)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Appropriation Adjustments

	TOTAL FY 12 APPROP	SUGGESTED FINAL TOTAL	SUPPLEMENTAL CORRECTION
Leased Space	1,270,593	1,270,593	-
GF	-	454,781	454,781
CF	17,163	17,163	-
RF	1,253,430	798,649	(454,781)
<i>RF (user fees)</i>	1,253,430	798,649	(454,781)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Capitol Complex Leased Space	846,033	846,033	-
GF	-	-	-
CF	-	33,434	33,434
RF	846,033	812,599	(33,434)
<i>RF (user fees)</i>	585,208	230,767	(354,441)
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	260,825	581,832	321,007

(2) Division of Human Resources

(A) Human Resources Services, (2) Training Services

Indirect Cost Assessment	9,414	9,414	-
GF	-	-	-
CF	-	-	-
RF	9,414	9,414	-
<i>RF (user fees)</i>	-	9,414	9,414
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	9,414	-	(9,414)

(5) Division of Accounts and Control - Controller

(A) Office of the State Controller

Personal Services	2,650,250	2,650,250	-
FTE	37.0	37.0	-
GF	2,243,399	645,915	(1,597,484)
CF	272,555	427,555	155,000
RF	134,296	1,576,780	1,442,484
<i>RF (user fees)</i>	-	962,741	962,741
<i>RF (indirects) - Other Statewide</i>	-	266,330	266,330
<i>RF (indirects) - DPA</i>	134,296	347,709	213,413

Operating Expenses	227,781	134,481	(93,300)
FTE			
GF	713	713	-
CF	105,998	105,998	-
RF	121,070	27,770	(93,300)
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	121,070	27,770	(93,300)

(B) State Purchasing Office

Personal Services	788,727	788,727	-
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Appropriation Adjustments

	TOTAL FY 12 APPROP	SUGGESTED FINAL TOTAL	SUPPLEMENTAL CORRECTION
FTE	12.5	12.5	-
GF	-	-	-
CF	788,727	788,727	-
RF	-	-	-
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

Operating Expenses	27,000	27,000	-
FTE			
GF	-	-	-
CF	27,000	27,000	-
RF	-	-	-
<i>RF (user fees)</i>	-	-	-
<i>RF (indirects) - Other Statewide</i>	-	-	-
<i>RF (indirects) - DPA</i>	-	-	-

TOTAL COMBINED LINE ITEM CORRECTIONS

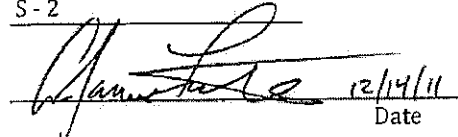
	9,418,010	9,324,710	(93,300)
FTE	49.5	49.5	-
GF	2,435,680	1,474,552	(961,128)
CF	1,597,089	1,767,786	170,697
RF	5,385,241	6,082,372	697,131
<i>RF (user fees)</i>	3,538,501	4,215,813	677,312
<i>RF (indirects) - Other Statewide</i>	870,398	909,248	38,850
<i>RF (indirects) - DPA</i>	976,342	957,311	(19,031)

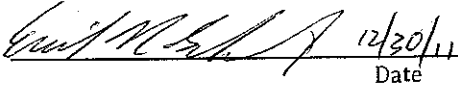
Appendix 1 - Office of the State Controller Personal Services Adjustments

	FY 12 Long Bill	SB 11-076	Correction (#1)	Correction (#2)	Correction (#3)	Correction (#4)	Correction (#5)	Total Need	Supplemental
State Controller, Personal Services	2,698,897	(48,647)	0	0	0	0	0	2,650,250	0
FTE	37.0	-	-	-	-	0.0	0.0	37.0	0.0
GF	2,372,815	(129,416)	(962,741)	19,031	(405,474)	(93,300)	(155,000)	645,915	(1,597,484)
CF	275,672	(3,117)	-	-	-	-	155,000	427,555	155,000
RF	50,410	83,886	962,741	(19,031)	405,474	93,300	0	1,576,780	1,442,484
RF (user fees)		-	962,741	-	-	-	-	962,741	962,741
RF (indirects) – Other Statewide		-	-	-	266,330	-	-	266,330	266,330
RF (indirects) - DPA	50,410	83,886	-	(19,031)	139,144	93,300		347,709	213,413

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: FY 2011-12 Common Policy Allocation True-up
 Priority Number: S-2

Dept. Approval by:  12/14/11
 Date

OSPB Approval by:  12/30/11
 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	-	-	-	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
No Program Line Items						
	Total	-	-	-	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	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: Fund 611 Administrative Hearings, Fund 610 Capitol Complex
 Reappropriated Funds Source, by Department and Line Item Name: All Affected Departments, Administrative Law Judge Services, Capitol Complex Leased Space
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: All Affected Departments, See Attached
 Other Information: This request is to adjust the revenue for the Administrative Law Judge and Capitol Complex common policies but does not require an adjustment to each program's spending authority. However, as these programs are funded through appropriations at individual State agencies, adjustments to their appropriations are required. See the attached Schedule 13s.



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

Kathy Nesbitt
Executive Director

*FY 2012-13 Supplemental Funding Request
January 3, 2012*

**Department Priority: S - 2
FY 2011-12 Common Policy Allocation True-up**

Summary of Incremental Funding Change for FY 2012-13	Total Funds	FTE
Total Operating Common Policy Allocations	\$619,169	0.0

Request Summary:

The Department of Personnel and Administration (DPA) is requesting an adjustment to statewide common policy allocations in the following amounts:

1. Administrative Law Judges: \$255,957 total funds, and
2. Capitol Complex: \$363,212 total funds.

The primary purpose of this request is to adjust the revenues set for the respective programs as delineated in each agency's common policy appropriation to ensure that the integrity of the fund balance is maintained. In addition, this supplemental request will allow departments as much time as possible to build these additional costs into their respective rates. The Department of Personnel and Administration is not seeking an adjustment to the spending authority of its own program line items because they appear to have sufficient spending authority to cover program costs at this time. This request attempts to avoid additional out-year costs associated with re-establishing the targeted fund balance.

During the figure setting process in the 2011 legislative session, DPA's statewide allocations for its operating common policies were not set at the appropriate levels based upon the historical cost allocation methodology. The common policy allocations to State agencies comprise the revenue streams for each of the programs listed

above and setting them low means that, in the case of Administrative Law Judge services, the Department may not have enough money to cover its expenses in the current year. The Department has fund balances for each operating common policy that can absorb minor fluctuations in actual expenses. These fund balances exist for two primary purposes. First, each program that is supported by the fund requires the ability to maintain liquidity in its cash flows to ensure seamless operations. Second, the fund balance also provides the Department an ability to absorb unanticipated expenses as they appear throughout the year, given sufficient spending authority. During the FY 2011-12 figure setting process, the magnitude of the difference between the allocated amounts and the anticipated costs has created the potential for considerable programmatic and financial difficulties for each of the common policy funds and appropriations.

Historically, DPA has operated many of the shared services utilized by individual state agencies. The appropriations in each state agency required to fund the overall programmatic needs are common policies and adjustments to these appropriations are requested by the Department on an annual basis. The following provides a brief description of the common policies that are the subject of this request:

1. **Administrative Law Judges:** The Administrative Law Judge program provides administrative law hearings to over 50 State agencies, counties and other entities out of its three offices (Denver, Colorado Springs and Grand Junction). The Office of Administrative Courts conducts all workers' compensation merit hearings for the entire State; all public benefits cases (food stamps, Colorado Works/TANF, Medicaid, etc.); all professional licensing board work involving the denial, revocation, suspension or other discipline of holders of a professional license (such as doctors, nurses, architects, real estate brokers, engineers, etc.); teacher dismissal cases, and all Secretary of State cases where a citizen has filed a complaint under the Fair Campaign Practices Act. In addition, the Office conducts mediations and settlement conferences.
2. **Capitol Complex:** This program pays the maintenance and upkeep for the Capitol Complex facilities owned by the State. Essentially, this includes all of the grounds and buildings in the Denver Capitol Complex (Denver, Pierce St., and North Campus) which encompass approximately 900,000 square feet of building space and includes housekeeping, grounds maintenance, and property management functions. In addition, the Department also manages two satellite campuses in Grand Junction and Camp George West.

For the past couple years, there has been a disconnect between DPA's request and the amounts approved for allocation to State agencies. To the extent possible, the Department has done what it could to manage to the appropriation and the revenue streams set during the figure setting process. For FY 2011-12, the disparity between the Department's anticipated need and the amounts allocated for collection are large enough that the Department must submit a supplemental request to correct the allocations.

In submitting this supplemental request, the Department is attempting to provide State agencies with the ability to build the additional costs into their program costs.

The Department of Personnel and Administration uses standardized methods of estimating the costs and associated allocations for each of the common policies subject to this request. In the recent past, the Department and the Office of State Planning and Budgeting have taken a number of steps to improve the process of estimating the common policy allocations for State agencies. These additional steps include, but are not limited to, the reformatting of the tables for legibility, the inclusion of fund balance adjustment figures where necessary, step-by-step instructions for interested parties on the methodologies, and the provision of additional detail to allow more transparency regarding the underlying costs of the programs. The following text describes the allocation process specific to each of the common policies.

Capitol Complex Leased Space allocations are determined by aggregating all of the costs associated with maintaining the program and then splitting the total costs among all agencies as equitably as possible. For Capitol Complex, this means combining expenditures such as Personal Services, Personal Services POTS allocations, operating common policy costs, utilities, depreciation, programmatic overhead, and indirect costs. In general, these costs are aggregated for each of the three primary campuses: Camp George West, Grand Junction, and Denver. Once the total costs are determined, the Department calculates the effective rate per square foot by dividing the total cost of operation by the total number of square feet in the complex. Once the costs are aggregated, the Department allocates the total cost among each agency as a proportion of the square footage each agency occupies at each campus. Note that for Camp George West, only a portion of the utility bills (water and sewer) are allocated in the rate and all other utilities are charged directly to each agency.

The Capitol Complex methodology uses a considerable amount of historical cost information to determine the total allocable pool because many of the components of the request year are not available when the common policy allocations are being developed. Therefore, the program's revenue stream is essentially playing catch-up with its actual costs while using the fund balance to mitigate the variation between revenues and expenses in a given year. Assuming that there are no significant unanticipated swings in costs or the revenue allocation methodology, the program can operate efficiently and requests for adjustments to the revenue stream are minimized. However, the FY 2011-12 state agency appropriations that comprise the Department's revenue stream were set low, which is estimated to drive the Department's fund balances lower than their designated targets. This request seeks to restore the revenue for the Capitol Complex program in an attempt to correct the revenue stream while allowing agencies as much time as possible to collect the expenses through their respective appropriations.

Administrative Law Judge appropriations are determined by aggregating historical and estimated costs and allocating them across each agency based on the most recent year's actual usage. Much like the Capitol Complex program allocations, a good portion of the costs (specifically operating common policies) are not known at the time the Administrative Law Judge allocations are developed, therefore historical appropriations are used to determine the total need for the program. This process creates a lag between the estimated appropriations (that determine the revenue stream) and the actual cost that will be incurred by the program. To the extent that the Department has sufficient fund balance to mitigate minor variation between the revenue and expenses in a given year, requests for adjustments to the program's revenue stream are minimized. During FY 2011-12, there was a significant departure from this methodology as reductions to the historically allocated cuts drove agency appropriations that are substantially lower than what is necessary to maintain the revenue

and expense equilibrium. This request seeks to adjust the allocated cost pool to correct for this under-funding.

As an alternative to this request, the Department considered absorbing the difference into fund balance. However, if the Department were to be required to absorb the difference into fund balance, the primary impacts would cause their underlying funds to be considerably under their targeted fund balances and will require significant adjustments (already submitted in the common policy request for FY 2012-13) to restore them to their targeted levels.

Due to the problems summarized above, the Department is requesting that the full \$619,169 be allocated to agencies through the respective common policy allocations as a supplemental action.

Anticipated Outcomes:

If this Supplemental Request is approved, the Department will have sufficient funding to meet its anticipated expenditures for the respective common policy programs in FY 2011-12.

Assumptions for Calculations:

To calculate the need for this request, the Department calculated the difference between the recommended amounts in JBC figure setting for common policies and the amount requested by the Department. The amounts for each were allocated as follows:

1. **Administrative Law Judges:** Based on FY 2009-10 actual usage, per common policy protocol.
2. **Capitol Complex:** Allocated as a percent of square foot by campus and building.

Consequences if not Funded:

If this request is not funded, the fund balances for the respective common policies will dip below the targeted fund balances. In the short term, based on current projections, this could drive the Administrative Hearing Fund balance negative, which is a violation of state fiscal rules. This

would lead to an over-expenditure of the fund and a likely audit finding. In the long-term, the deficit created by spending down the fund balance will lead to additional costs built into the common policy allocations to re-establish the fund balance.

Impact to Other State Government Agency:

Please see the allocations tables below.

Cash Fund Projections:

N/A

Relation to Performance Measures:

Not applicable

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

The Department is facing an under-allocation of its total expenses which may drive issues with the respective funds supporting these programs. Without the allocation of these funds to State agencies, the Department of Personnel and Administration may be severely underfunded.

Current Statutory Authority or Needed Statutory Change:

Capitol Complex: 24-1-136.5, 24-82-101 to 103, 24-30-1303. Administrative Law Judges: 24-30-1001 to 1003.

Table 1: Summary of FY 2011-12 Requested True-Up for Common Policies

Description	Administrative Law Judges	Capitol Complex Leased Space	Total
Health, Life, and Dental	\$18,760	\$13,434	\$32,194
AED & SAED	\$10,725	\$8,137	\$18,862
Payments to Risk Management	\$52,418	\$0	\$52,418
Purchase of Services from the Computer Center	\$159,543	\$0	\$159,543
Office of Information Technology Administration	\$6,507	\$0	\$6,507
Legal Services	\$8,004	\$0	\$8,004
Utilities	\$0	\$58,089	\$58,089
DCS Overhead Estimate	\$0	\$169,908	\$169,908
1.0% Billable Vacancy	\$0	\$113,644	\$113,644
Total	\$255,957	\$363,212	\$619,169

Table 2: Calculation of Incremental Need for Administrative Law Judges

Department	Allocable %	Supplemental Request	FY 2011-12 Appropriation	Total need
Corrections	0.10%	\$260	\$4,189	\$4,449
Education	0.88%	\$2,241	\$36,017	\$38,258
HCPF	10.27%	\$26,297	\$422,830	\$449,127
Higher Education	0.01%	\$29	\$467	\$496
Human Services	17.69%	\$45,283	\$728,086	\$773,369
Labor	59.07%	\$151,205	\$2,431,194	\$2,582,399
Personnel	0.07%	\$180	\$2,890	\$3,070
Public Health	0.20%	\$507	\$8,144	\$8,651
Regulatory Agencies	9.84%	\$25,189	\$405,007	\$430,196
Revenue	0.09%	\$222	\$3,576	\$3,798
State	0.72%	\$1,841	\$29,600	\$31,441
Transportation	0.02%	\$43	\$674	\$717
Misc. School Districts	1.04%	\$2,660	\$42,057	\$44,717
Total	100.00%	\$255,957	\$4,114,731	\$4,370,688

Table 3: Calculation of Incremental Need for Capitol Complex

Department	Allocable %	Supplemental Request	FY 2011-12 Appropriation	Total need
Agriculture	1.52%	\$5,508	\$171,145	\$176,653
Corrections	1.09%	\$3,957	\$98,626	\$102,583
Correctional Industries	0.31%	\$1,128	\$28,104	\$29,232
Education	4.97%	\$18,059	\$561,093	\$579,152
General Assembly	12.53%	\$45,512	\$1,414,077	\$1,459,589
Governor, Lt Governor, OSPB	4.10%	\$14,893	\$462,762	\$477,655
Health Care Policy and Financing	3.53%	\$12,807	\$397,928	\$410,735
Human Services	11.30%	\$41,060	\$1,275,866	\$1,316,926
Law	11.38%	\$41,327	\$1,284,061	\$1,325,388
Local Affairs	4.21%	\$15,306	\$476,277	\$491,583
Military Affairs	0.72%	\$2,633	\$83,459	\$86,092
Natural Resources	7.73%	\$28,087	\$872,671	\$900,758
Personnel & Administration	7.50%	\$27,253	\$846,033	\$873,286
Public Health	0.28%	\$1,016	\$31,686	\$32,702
Public Safety	11.24%	\$40,811	\$1,274,883	\$1,315,694
Regulatory Agencies	0.05%	\$195	\$6,098	\$6,293
Revenue	15.28%	\$55,517	\$1,723,682	\$1,779,199
Transportation	1.35%	\$4,895	\$154,047	\$158,942
Treasurer	0.49%	\$1,780	\$55,297	\$57,077
Labor & Employment	0.26%	\$941	\$29,169	\$30,110
CSU Forest Service	0.15%	\$528	\$16,592	\$17,120
Total	100%	\$363,212	\$11,263,556	\$11,626,769

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Annual Fleet True-up

Priority Number: S - 4

Dept. Approval by:

[Signature] 12/19/11
Date

OSPB Approval by:

[Signature] 12/18/11
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	(928,608)	15,655,005	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	16,521,437	(928,608)	15,655,005	-	-
	FF	-	-	-	-	-
(4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease, Purchase or Lease/Purchase	Total	16,521,437	(928,608)	15,655,005	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	16,521,437	(928,608)	15,655,005	-	-
	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: Fund 607, Fleet Management Fund
 Reappropriated Funds Source, by Department and Line Item Name: All Affected Departments, Vehicle Lease Payments
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: All Affected Departments - See Attached
 Other Information:



DEPARTMENT OF PERSONNEL AND ADMINISTRATION

John W. Hickenlooper
Governor

*FY 2012-13 Supplemental Request
January 3, 2012*

Kathy Nesbitt
Executive Director

**Department Priority: S-4
Annual Fleet True-up**

Summary of Incremental Funding Change for FY 2011-12	Total Funds	FTE
Statewide Impact	(\$928,380)	0.0
Department of Personnel and Administration Impact	(\$928,608)	0.0

Request Summary:

The Department of Personnel and Administration is requesting a reduction of \$928,380 in total funds to true-up the fleet vehicle lease line appropriations within all affected departments. This request does not affect the total number of vehicles that are approved for purchase by the State Fleet Management program. Rather, this request updates the actual need by department due to the variations between budgetary action and the procurement process. In addition to the adjustment to state agency appropriations, this request also seeks a reduction to the Department of Personnel and Administration's (4) Central Services, (c) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease, Purchase, or Lease/Purchase line item of \$928,608 Reappropriated Funds.

Appropriation History

This request is submitted on an annual basis to accurately reflect the budgets of the State agencies that participate in the State Fleet Management Program.

The State Fleet Management Program (SFM) is designed to handle all aspects of a vehicle's life from the time of acquisition through disposal. The program manages all maintenance, repairs, fuel expense, and accident repairs as well as maintaining a robust database with a detailed history for each vehicle. The Program manages

these vehicle assets for all State agencies, helping to control unnecessary expenses, and managing adherence to effective preventive maintenance schedules, while gaining economies of scale and significant price reductions by aggregating purchasing opportunities and funding resources.

In each of the last few fiscal years, the Department of Personnel and Administration has submitted this annual supplemental true-up to capture the sometimes significant difference between agency appropriations and actual need. Through this supplemental, the Department is able to capture the differences created by the combination any of the following:

1. Replacements or purchases received before or after the budgeted date
2. Programmatic needs that drive the purchase of vehicles and/or options that weren't factored into the original appropriation
3. Purchases or replacements that result from actions external to the typical replacement request (special bills)
4. Out-of-cycle replacements due to wrecks (total losses)
5. Transfer of vehicles within a department's programs due to need or changing requirements

This reconciliation uses the full amount of vehicle leases to be billed to agencies, less appropriations no longer required due to expiring leases. This approach gives a more accurate and verifiable calculation of base vehicle funding requirements. This reconciliation is conducted on an annual basis to determine whether appropriated funds will need to be adjusted in the Vehicle Lease Payments line items of affected agencies. The result is a technical adjustment to the Vehicle Lease Payment line items for State Fleet Management user agencies as well as an adjustment to State Fleet Management program spending authority.

It should be noted that this request is an extension of the annual process that the State Fleet Management program undergoes to request additional vehicles for State agencies during the standard budget process. To the extent that vehicles are replaced (or not replaced) during that submission, this request provides a dynamic adjustment to state agency appropriations to keep the State current on its need to fund its fleet. Because the fleet replacement request is the first step to this process, the Department has attached to this supplemental request an appendix that provides a description of the State Fleet Management's annual replacement methodology.

Anticipated Outcomes:

With the approval of this request, the Department of Personnel and Administration believes the budgets of the respective departments will present a more accurate view of the funding necessary to fund their vehicles.

Assumptions for Calculations:

To build to the requested amounts for each department, the Department uses the following methodology with the associated assumptions:

1. SFM pulls the latest billing to date and the last months billing.
2. The actual billing to date forms the basis of the request.
3. To the actual billing, the department adds the product of the number of months

remaining in the year and the last months actual billing.

4. Adjustments are made for the following:
 - a. Add: New vehicles approved through special bills and appropriations
 - b. Add: Approved replacements that are yet to be received in the current fiscal year
 - c. Subtract: Any funding that will not be required due to the termination of the lease term.
5. The sum of these parts forms the total need for a particular department. An incremental need is calculated relative to the current appropriation.

Consequences if not Funded:

Statewide, agency appropriations will be over-appropriated for FY 2011-12 and not reflect the actual need for their 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.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

New Data.

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.

Estimated State Agency Need

The Department estimated the projected need for State agencies in FY 2011-12 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.

Line	FY 2011-12 Agency Lease Line Analysis	FY 2011-12
1	FY 11-12 Base Long Bill Appropriation (Total of Vehicle Lease Payment Appropriations in Departments)	\$15,497,279
2	Non-Appropriated Vehicle Lease Payments	\$2,734,901
3	Total FY 11-12 Base Funding (All Agencies)	\$18,232,180
4	Estimated Reduction to FY 11-12 Based on Current Lease Payments	(\$1,625,499)
5	Approved Additions (Prorated)	\$31,968
6	Approved Replacements (Prorated)	\$1,086,450
7	Leases Ending in FY 11-12 (impact to FY 11-12)	(\$450,188)
8	Estimated FY 11-12 Statewide Need After FY 11-12 Supplemental	\$17,274,911
9	Non-Appropriated Vehicle Lease Payments	(\$2,706,012)
10	Net Appropriated Agency Need for FY 11-12	\$14,568,899
11	Net FY 11-12 Estimated Reduction from Current LB Appropriation	(\$928,380)

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.

STATE FLEET LEASE LINE APPROPRIATION ANALYSIS	
SFM Lease Payments Due by COP Series and Trust Year	FY 11-12
COP 2005	\$1,300,397
COP 2006	\$2,450,567
TRUST 2007 Payments	\$1,955,219
TRUST 2008 Payments	\$2,453,089
TRUST 2009 Payments	\$3,088,876
TRUST 2010 Payments	\$2,205,651
TRUST 2011 (11 Pro-Ration includes Motor Pool leases)	\$1,387,213
TRUST 2012 (12 Pro-Ration includes Motor Pool leases)	\$521,380
TRUST 2013 (13 Pro-Ration includes Motor Pool leases) Pending	\$0
Total Known Lease Payments Due	\$15,362,393
UNFORESEEN (Accident totals, denied repairs, etc.) @1.5%	\$230,436
ACCIDENT TOTALS (Known YTD)	\$0
Total SFM Lease Spending Authority Need for FY 11-12=	\$15,592,829
FY 11-12 APPROPRIATION	
Current Year Base Spending Authority (FY 11-12 Base)	\$16,521,437
Required Additional Spending Authority (over FY 11-12 Base)=	(\$928,608)

Impact to Appropriated State Agencies

Lease Line Reconciliation for FY 2011-12										
Dept	Division	Long Bill Vehicle Lease Payment Appropriation for FY 2011-12	CARS Billing Thru Sept 2011	9	Annualized Fixed Payments for FY 2011-12	Approved Additions Fixed Payments (Prorated) for FY 2011-12	Approved Replacements Fixed Payments (Prorated) for FY 2011-12	Vehicle Leases (Prorated) Ending by 6/30/11	Projected Fixed Payments (incl Mgt Fees) for FY 2011-12	Projected Variance from Appropriation for FY 2011-12
				CARS Monthly Billing for September 2011						
CDPS	EDO (Fire Safety & Criminal Justice)	89,294	12,387	4,129	71,619	-	-	-	71,619	(17,675)
CDPS	Colorado State Patrol	6,776,646	1,141,920	385,865	5,243,707	-	916,597	(236,681)	5,923,623	(853,023)
CDPS	CBI	243,613	49,003	17,627	220,874	-	1,560	-	222,434	(21,179)
CDPS	CDPS Total	7,109,553	1,203,309	407,620	5,536,201	-	918,157	(236,681)	6,217,677	(891,876)
DOAG	Agriculture	203,726	51,163	17,073	204,817	-	8,071	(3,352)	209,536	5,810
DOAG	State Fair	5,225	1,306	435	5,225	-	-	-	5,225	0
DOC	Department of Corrections	2,459,054	596,947	199,009	2,551,583	-	-	(10,700)	2,540,883	81,829
DOE	Department of Education	23,043	6,025	2,008	24,100	-	-	-	24,100	1,057
DOH	Department of Health	344,839	85,472	27,334	331,474	-	18,552	(6,918)	343,108	(1,731)
DOHS	Department of Human Services	1,075,007	250,222	83,315	1,000,055	-	2,677	-	1,002,732	(72,275)
DOLA	Local Affairs	126,730	31,075	10,358	124,302	-	-	(3,448)	120,854	(5,876)
DOLE	Labor and Employment	107,625	25,605	8,535	102,421	-	1,899	(2,273)	102,047	(5,578)
DOMA	Military Affairs	36,508	10,979	3,685	44,148	-	-	-	44,148	7,640
DONR	Natural Resources	2,898,675	714,624	237,720	2,854,100	-	41,560	(118,723)	2,776,937	(121,738)
DOR	EDO	303,037	88,869	30,514	374,695	4,020	-	-	378,715	75,678
DOR	Lottery	138,708	32,571	10,857	130,283	-	7,031	-	137,314	(1,394)
DOR	Gaming	85,677	20,474	6,825	81,897	-	-	(403)	81,494	(4,183)
DORA	Regulatory Agencies	151,802	42,764	14,255	171,054	-	14,211	(1,083)	184,182	32,380
GOV	Economic Development	131,610	28,414	9,471	113,655	-	-	-	113,655	(17,955)
DPA	Dept of Personnel (not MP)	105,089	20,900	6,931	83,283	-	-	(823)	82,460	(22,629)
DOL	Attorney General	70,176	17,287	5,681	68,418	-	-	(2,429)	65,989	(4,187)
DOS	Secretary of State	2,969	715	238	2,861	-	-	-	2,861	(108)
JUD	Public Defender	59,783	12,672	4,224	50,688	27,948	-	-	78,636	18,853
JUD	Courts	58,443	14,086	4,695	56,345	-	-	-	56,345	(2,098)
Total Long Bill Appropriated Agencies		15,497,279	3,255,479	1,090,786	13,911,606	31,968	1,012,158	(386,833)	14,568,899	(928,380)

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration
 Request Title: FY 2011-12 Common Policy Allocation True-up
 Priority Number: NP

Dept. Approval by: *Harvey Clymer* 12/14/11 Date
 OSPB Approval by: *Erin M. B...* 12/27/11 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	848,923	27,433	946,143		
	FTE	-	-	-		
	GF	-	-	687,057		
	GFE	-	-	-		
	CF	-	-	41,564		
	RF	848,923	27,433	217,522		
	FF	-	-	-		
(1) Executive Director's Office, (A) Department Administration, Administrative Law Judge Services	Total	2,890	180	4,549	-	-
	FTE	-	-	-		
	GF	-	-	-		
	GFE	-	-	-		
	CF	-	-	4,549		
	RF	2,890	180	-		
	FF	-	-	-		
(1) Executive Director's Office, (A) Department Administration, Capitol Complex Leased Space	Total	846,033	27,253	941,594	-	-
	FTE	-	-	-		
	GF	-	-	687,057		
	GFE	-	-	-		
	CF	-	-	37,015		
	RF	846,033	27,253	217,522		
	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: Fund 604, Debt Collection and Various Sources within the Department
 Reappropriated Funds Source, by Department and Line Item Name: Indirect Cost Recoveries and Fees from User Agencies
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A

Schedule 13 Funding Request for the 2012 Budget Cycle

Department: Personnel and Administration

Request Title: Annual Fleet True-up

Priority Number: NP

Dept. Approval by: *Adam Czymmer* 12/14/11
Date

OSPB Approval by: *Erin M. ...* 12/27/11
Date

- | |
|---|
| <input type="checkbox"/> Decision Item FY 2012-13 |
| <input type="checkbox"/> Base Reduction Item FY 2012-13 |
| <input checked="" 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	105,089	(22,629)	105,089	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	2,256	-	-
	RF	105,089	(22,629)	102,833	-	-
	FF	-	-	-	-	-
(1) Executive Director's Office, (A) Department Administration, Vehicle Lease Payments	Total	105,089	(22,629)	105,089	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	2,256	-	-
	RF	105,089	(22,629)	102,833	-	-
	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:		Fund 607, Fleet Management, Fund 610 Capitol Complex, Fund 24Y State Archives				
Reappropriated Funds Source, by Department and Line Item Name:		Fees from User Agencies				
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:		None.				