Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-01 State of Colorado Equity Office

Dept. Approval By: Cammon Bellamy 10/26/2021

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:31:56 -06'00'

	Supplemental FY 2021-22
	Budget Amendment FY 2022-23
X	**Change Request FY 2022-23**

Summary Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$7,274,444**	**$0**	**$7,244,828**	**$2,536,213**	**$2,500,000**
	FTE	0.0	0.0	0.0	10.0	10.0
	GF	$2,800,429	$0	$2,724,578	$2,536,213	$2,500,000
	CF	$257,633	$0	$259,279	$0	$0
	RF	$4,216,382	$0	$4,260,971	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Health, Life and Dental	**Total**	**$4,448,038**	**$0**	**$4,426,538**	**$140,860**	**$190,798**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,620,781	$0	$1,542,900	$140,860	$140,860
	CF	$145,314	$0	$164,158	$0	$0
	RF	$2,681,943	$0	$2,719,480	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Short-term Disability	**Total**	**$44,196**	**$0**	**$44,102**	**$1,632**	**$2,179**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$18,474	$0	$18,518	$1,176	$1,176
	CF	$1,759	$0	$1,491	$0	$0
	RF	$23,963	$0	$24,093	$0	$0
	FF	$0	$0	$0	$0	$0

	Total	**$1,391,105**	**$0**	**$1,387,094**	**$51,014**	**$68,054**
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Amortization Equalization Disbursement	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$36,760	$36,760
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0

	Total	**$1,391,105**	**$0**	**$1,387,094**	**$51,014**	**$68,054**
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Supplemental Amortization Equalization Disbursement	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$36,760	$36,760
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0

	Total	**$0**	**$0**	**$0**	**$2,291,693**	**$2,170,915**
01. Executive Director's Office, (B) Statewide Special Purpose, (3) Colorado Equity Office - Colorado Equity Office	FTE	0.0	0.0	0.0	10.0	10.0
	GF	$0	$0	$0	$2,320,657	$2,284,444
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R - 01
Request Detail: State of Colorado Equity Office

Summary of Funding Change for FY 2022-23			
		Incremental Change	
Statewide Resources	**FY 2021-22 Appropriation**	**FY 2022-23 Request**	**FY 2023-24 Request**
Total Funds	$0	$2,536,213	$2,500,000
FTE	0.0	19.0	19.0
General Fund	$0	$2,536,213	$2,500,000
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (DPA) is requesting a total of 19.0 FTE statewide and $2,536,213 General Fund for FY 2022-23, and $2,500,000 General Fund in FY 2023-24 and all future years to establish the State of Colorado Equity Office. The Colorado Equity Office (Equity Office or the Office) will be responsible for creating an equitable, diverse, and inclusive environment and to further equity, diversity, and inclusion (EDI) initiatives outlined in Executive Order D 2020 175 (EO).

House Bill 20-1153 required the State and the state employee labor union to create through negotiations a three-year partnership agreement through negotiations. This partnership agreement includes an economic article to create the Colorado Equity Office. In order to further EDI efforts across the state, support agencies with EDI initiative implementation supported by data analysis and best practices, and to coordinate statewide initiatives that support meaningful and sustainable change statewide the DPA requests funding and FTE for the Colorado Equity Office as well as EDI staff in other departments starting in FY 2022-23 and ongoing.

Current Program

The State of Colorado does not currently have an Equity Office. However, the Executive Order referenced above directs DPA to:

- Develop an EDI Universal Policy to guide and direct State agencies in creating long-term strategic plans with the goal of inclusive, anti-discriminatory workplace cultures, and implementing equitable hiring, compensation, and retention practices.
- Develop and deliver required training for all employees on equity, diversity, and inclusion, including specific EDI training for State supervisors and executive leaders.
- Ensure accountability, create a proposal for an operational plan to support, coordinate, and oversee statewide EDI initiatives, and develop a reporting template and procedure for agencies to publicly report progress on, and build trust in, their EDI initiatives.
- Create statewide standards of accessibility to guide agencies in ensuring State buildings, systems, vital documents, community meetings, and other communications and resources, including websites, are accessible to all Coloradans, regardless of ability or language[1], in partnership with the Colorado Equity Alliance and other relevant stakeholder groups.
- Guide agencies in addressing systemic inequities posed by contracting barriers, using the findings of the procurement disparity study commissioned by S.B. 19-135.

The Department has already developed the EDI Universal Policy, deployed four training modules for all employees, developed a reporting template, and assisted agencies in developing their EDI plans. The Department is currently working to implement the remaining directives. All of this work has been completed within existing resources, but dedicated resources are necessary to implement the Partnership Agreement and further EDI efforts across the state, support agencies on their EDI journeys with consultation, data analysis, and best practices, coordinate statewide initiatives, add transparency and accountability to the state's efforts, and effect meaningful and sustainable change statewide.

Problem or Opportunity

H.B. 20-1153 "Colorado Partnership For Quality Jobs And Services Act" was signed into law in 2020 and created a collective bargaining system between covered state employees and the State of Colorado executive branch. This bill required the State to enter into a partnership agreement with a certified employee organization, now Colorado WINS.

The principles of the Partnership Agreement negotiated between the State and Colorado WINS include a commitment to pay equity recognizing experience and years of service

[1] Where applicable, these standards shall be at or above the standards required in the Americans with Disabilities Act (ADA) and the Colorado Anti-Discrimination Act.

and identifying and resolving pay inequity based on race, ethnicity, and gender; alignment with prevailing market compensation; and funding a liveable wage. The Equity Office will support these EDI initiatives.
Since the execution of the EO, the extent of the work required to address significant gaps in equity, inclusion, and accessibility has become clear, and it has become apparent that dedicated EDI professionals are necessary to focus and prioritize EDI efforts. The Department does not have sufficient resources to support all of the work that needs to be done across the State to ensure that Coloradans and employees feel that they belong and that the State's services are accessible to all.

Proposed Solution

While the Partnership agreement and EO established the foundation and direction for EDI in the State, agencies need additional support to realize its vision and create a Colorado for All. The Equity Office will be responsible for EDI efforts including:

- Ensuring compliance with the EO to operationalize equity in agency systems, policies, and practices (to include agency plans and reports, accessibility standards, EDI training, procurement disparity study, etc.);
- Conducting and overseeing the implementation of remedies required by the pay equity study;
- Developing interview and hiring process guidance, designing training for human resources and hiring teams, and identifying standard data to be collected to analyze hiring trends;
- Serving as a consultant to agencies on best practices and a resource for EDI officers placed in state agencies;
- Developing and maintaining statewide training, providing implementation resources, and holding agencies accountable for deployment;
- Coordinating statewide EDI events, impactful community interactions, and educational opportunities;
- Convening a statewide employee resource group made of representatives from Governor's agencies, and assist in standing up other employee resource groups
- Collecting and analyzing statewide data to identify systemic inequity, gaps in EDI skills/knowledge, and opportunities to maximize inclusion and a sense of belonging in the employee experience.
- Providing administrative assistance to the Colorado Equity Alliance; and
- Providing a feedback and reporting mechanism for employees to identify concerns/violations of anti-discrimination, anti-racism, anti-sexual harassment, accessibility, workplace violence, ADA, and workers' compensation issues, and to direct concerns or violations accordingly.

In order to further EDI efforts across the state, support agencies on their EDI journeys with consultation, data analysis, and best practices, coordinate statewide initiatives, and to effect meaningful and sustainable change statewide, full staffing of 19.0 FTE is needed starting in FY 2022-23.

Of the total request, 10.0 FTE are for the central Equity Office and will serve as consultants to agencies on best practices and as a resource for EDI officers placed in state agencies and to coordinate statewide EDI events, impactful community interactions, and educational opportunities. To implement this structure, the Department needs a team of 19.0 FTE which will include a Program Director, EDI Managers and Coaches, and Data Analyst, Human Resource, and other EDI specialist staff. Of these FTE, 10.0 FTE will be in DPA and 9.0 FTE will be dedicated to the Equity Office as shown below, though placed in various agencies across the State. Subject to the availability of matching Medicaid funds, the 1.0 FTE funded through the Equity Office in DPA will be matched with federal funds and enable the addition of 1.0 FTE in to the Department of Health Care Policy and Finance (to bring the total FTE to 20.0 FTE).

Department	Number of FTE
Personnel	10.0
Human Services	4.0
Revenue	3.0
Health Care Policy & Financing*	1.0
Regulatory	1.0
Total*	**19.0**

*The total in this table does not include the additional FTE that will be added to HCPF through the ability to match General Fund with Medicaid federal funds.

If this request is not approved, the Department will not be able to meet the terms of the Partnership Agreement and will be subject to the mandates of the EO, but will have to triage various other responsibilities to ensure it meets the EO obligations and other statutory requirements. Without the additional resources, work that must be performed will be spread out over existing staff, thereby increasing both workload beyond current responsibilities and the probability that staff will experience burnout. Turnover at the agency will increase, and it will become difficult to recruit and retain qualified staff for these positions. The quality and effectiveness of EDI initiatives will suffer and have increased probability of failure, which could have several negative impacts statewide including: continued systemic injustice in the services we provide to the residents of Colorado, disengaged and discouraged employee population, increase in turnover from traditionally marginalized populations, and further disconnects with the communities we serve.

Once implemented, Equity Office staff will begin collecting data and creating outputs and outcomes that can be measured.

Theory of Change	Equity, diversity, and inclusion.		
Program Objective	Create an equitable, diverse, and inclusive environment that allows our workforce to thrive and the state to be an "employer of choice."		
Outputs being measured	N/A		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 1		

Anticipated Outcomes

If this request is approved, the Department and the other state agencies receiving EDI funding will be able to implement the Partnership Agreement and effective EDI initiatives which create an "equitable, diverse, and inclusive environment." The structure and work of the Equity Office will support the creation of a collaborative workplace where employees with diverse backgrounds and experiences are able to flourish in a positive, equitable, and inclusive environment. Providing funding for EDI staff in other departments ensures this environment is adjusted, consistent, and sustainable based on the individual needs of each department.

Assumptions and Calculations

The Department requests $2,536,213 General Fund for personnel and operating costs to create the Equity Office and fund EDI staff in four other departments. The majority of the funds will remain within DPA for the Equity Office. Of these funds, $965,158 will be reappropriated to four other departments as summarized below. The remainder will reside in the Department to staff the Equity Office. The following table shows the estimated funding breakdown for the Equity Office.

State of Colorado Equity Office Recommendation				
	FY 2022-23	Personal Services	Operating Expenses	FTE
Personnel & Administration	1,121,055	1,041,555	79,500	10.0
Human Services	478,160	446,360	31,800	4.0
Health Care Policy and Financing	108,483	100,533	7,950	1.0
Revenue	286,880	263,030	23,850	3.0
Regulatory Agencies	91,635	83,685	7,950	1.0
Equity Office Operating	450,000	0	450,000	
Total	**$2,536,213**	**$1,935,163**	**$601,050**	**19.0**

Equity Office positions are requested at the midpoint of the job class range. The Equity Office will need to be fully functional with the addition of new staff, which requires the new hires to be fully competent, notwithstanding institution-specific training, as they are hired on.

Operating and Consulting Costs

This funding is requested as part of the Office program line to ensure maximum flexibility in meeting the needs of the State. The Department requests $450,000 General Fund in FY 2022-23 and in all future years to support the Office's work to ensure the work is meeting the EDI requirements of the EO. In addition, the Office will utilize this funding to identify within departments where there is a need for additional support in the development, implementation, and reporting on long-term plans which identify and address barriers in each agency's work with their respective communities. This approach will ensure that the funds invested in EDI initiatives will benefit the entire State, instead of residing in the organizational silos of each Agency. At the same time, this flexibility of funding will allow the Office to customize funding and support the evolution of the EDI continuum statewide and across job classifications.

Funding is intended to be used across the following categories:

- Data Collection-$100,000
- Training Development-$150,000
- Speakers-$50,000
- Marketing-$50,000
- Program Evaluation-$100,000

DPA FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time.

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Management	$4,717	1.0	$122,642	1.0	$122,642
PERA			$13,368		$13,368
AED			$6,132		$6,132
SAED			$6,132		$6,132
Medicare			$1,778		$1,778
STD			$196		$196
Health-Life-Dental			$14,086		$14,086
Subtotal Position 1, 1.0 FTE		**1.0**	**$164,334**	**1.0**	**$164,334**
Classification Title	Biweekly Salary	FTE		FTE	
Human Resources Specialist IV	$3,086	2.0	$160,472	2.0	$160,472
PERA			$17,491		$17,491
AED			$8,024		$8,024
SAED			$8,024		$8,024
Medicare			$2,327		$2,327
STD			$257		$257
Health-Life-Dental			$28,172		$28,172
Subtotal Position 2, 2.0 FTE		**2.0**	**$224,767**	**2.0**	**$224,767**
Classification Title	Biweekly Salary	FTE		FTE	
Human Resources Spec III	$2,484	6.0	$387,504	6.0	$387,504
PERA			$42,238		$42,238
AED			$19,375		$19,375
SAED			$19,375		$19,375
Medicare			$5,619		$5,619
STD			$620		$620
Health-Life-Dental			$84,516		$84,516
Subtotal Position 3, 6.0 FTE		**6.0**	**$559,247**	**6.0**	**$559,247**
Classification Title	Biweekly Salary	FTE		FTE	
Data Management III	$2,484	1.0	$64,584	1.0	$64,584
PERA			$7,040		$7,040
AED			$3,229		$3,229
SAED			$3,229		$3,229
Medicare			$936		$936
STD			$103		$103
Health-Life-Dental			$14,086		$14,086
Subtotal Position 4, 1.0 FTE		**1.0**	**$93,207**	**1.0**	**$93,207**
Subtotal Personal Services		10.0	**$1,041,555**	10.0	**$1,041,555**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	10.0	$5,000	10.0	$5,000
Telephone Expenses	$450	10.0	$4,500	10.0	$4,500
PC, One-Time	$2,000	10.0	$20,000	-	$0
Office Furniture, One-Time	$5,000	10.0	$50,000	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Other					
Subtotal Operating Expenses			**$79,500**		**$9,500**
TOTAL REQUEST		10.0	**$1,121,055**	10.0	**$1,051,055**

CDHS FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time.

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Administrator IV (DHS)	$2,714	3.0	$211,692	3.0	$211,692
PERA			$23,074		$23,074
AED			$10,585		$10,585
SAED			$10,585		$10,585
Medicare			$3,070		$3,070
STD			$339		$339
Health-Life-Dental			$42,258		$42,258
Subtotal Position 1, 3.0 FTE		**3.0**	**$301,603**	**3.0**	**$301,603**
Classification Title	Biweekly Salary	FTE		FTE	
Program Management II (DHS)	$4,102	1.0	$106,661	1.0	$106,661
PERA			$11,626		$11,626
AED			$5,333		$5,333
SAED			$5,333		$5,333
Medicare			$1,547		$1,547
STD			$171		$171
Health-Life-Dental			$14,086		$14,086
Subtotal Position 2, 1.0 FTE		**1.0**	**$144,757**	**1.0**	**$144,757**
Subtotal Personal Services		4.0	**$446,360**	4.0	**$446,360**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	4.0	$2,000	4.0	$2,000
Telephone Expenses	$450	4.0	$1,800	4.0	$1,800
PC, One-Time	$2,000	4.0	$8,000	-	$0
Office Furniture, One-Time	$5,000	4.0	$20,000	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Subtotal Operating Expenses			**$31,800**		**$3,800**
TOTAL REQUEST		4.0	**$478,160**	4.0	**$450,160**
	General Fund:		*$478,160*		*$450,160*

DORA FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time.

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Analyst III (DORA)	$2,185	1.0	$56,810	1.0	$56,810
PERA			$6,192		$6,192
AED			$2,841		$2,841
SAED			$2,841		$2,841
Medicare			$824		$824
STD			$91		$91
Health-Life-Dental			$14,086		$14,086
Subtotal Position 1, 1.0 FTE		**1.0**	**$83,685**	**1.0**	**$83,685**
Subtotal Personal Services		1.0	**$83,685**	1.0	**$83,685**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$2,000	1.0	$2,000	-	$0
Office Furniture, One-Time	$5,000	1.0	$5,000	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Other					
Other					
Subtotal Operating Expenses			**$7,950**		**$950**
TOTAL REQUEST		1.0	**$91,635**	1.0	**$84,635**
	General Fund:		*$91,635*		*$84,635*

HCPF FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time.**

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Administrator IV (HCPF)	$2,714	1.0	$70,564	1.0	$70,564
PERA			$7,691		$7,691
AED			$3,528		$3,528
SAED			$3,528		$3,528
Medicare			$1,023		$1,023
STD			$113		$113
Health-Life-Dental			$14,086		$14,086
Subtotal Position 1, 1.0 FTE		**1.0**	**$100,533**	**1.0**	**$100,533**
Subtotal Personal Services		1.0	**$100,533**	1.0	**$100,533**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$2,000	1.0	$2,000	-	$0
Office Furniture, One-Time	$5,000	1.0	$5,000	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Other					
Other					
Subtotal Operating Expenses			**$7,950**		**$950**
TOTAL REQUEST		1.0	**$108,483**	1.0	**$101,483**
	General Fund:		*$108,483*		*$101,483*

DOR FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time.

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
HR Specialist IV	$2,714	1.0	$70,564	1.0	$70,564
PERA			$7,691		$7,691
AED			$3,528		$3,528
SAED			$3,528		$3,528
Medicare			$1,023		$1,023
STD			$113		$113
Health-Life-Dental			$14,086		$14,086
Subtotal Position 1, 1.0 FTE		**1.0**	**$100,533**	**1.0**	**$100,533**
Classification Title	Biweekly Salary	FTE		FTE	
HR Specialist III	$2,185	1.0	$56,810	1.0	$56,810
PERA			$6,192		$6,192
AED			$2,841		$2,841
SAED			$2,841		$2,841
Medicare			$824		$824
STD			$91		$91
Health-Life-Dental			$14,086		$14,086
Subtotal Position 2, 1.0 FTE		**1.0**	**$83,685**	1.0	**$83,685**
Classification Title	Biweekly Salary	FTE		FTE	
Arts Professional II	$2,032	1.0	$52,832	1.0	$52,832
PERA			$5,759		$5,759
AED			$2,642		$2,642
SAED			$2,642		$2,642
Medicare			$766		$766
STD			$85		$85
Health-Life-Dental			$14,086		$14,086
Subtotal Position 2, 1.0 FTE		**1.0**	**$78,812**	**1.0**	**$78,812**
Subtotal Personal Services		3.0	**$263,030**	3.0	**$263,030**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	3.0	$1,500	3.0	$1,500
Telephone Expenses	$450	3.0	$1,350	3.0	$1,350
PC, One-Time	$2,000	3.0	$6,000	-	$0
Office Furniture, One-Time	$5,000	3.0	$15,000	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Other					
Other					
Subtotal Operating Expenses			**$23,850**		**$2,850**
TOTAL REQUEST		3.0	**$286,880**	3.0	**$265,880**
	General Fund:		*$286,880*		*$265,880*

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-02 Paid Family Medical Leave Funding

Dept. Approval By: 10/26/2021 ____ **Supplemental FY 2021-22**

OSPB Approval By: ____ **Budget Amendment FY 2022-23**

X **Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$0**	**$0**	**$0**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department of Personnel & Administration

FY 2022-23 Funding Request

November 1, 2021

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-02
Request Detail: Paid Family Medical Leave Funding

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$0	$5,400,366	$5,562,374
FTE	0.0	0.0	0.0
General Fund	$0	$3,029,606	$3,120,492
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$2,370,760	$2,441,882
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (the Department or DPA) requests spending authority of $5,400,366 statewide to cover the backfill costs associated with state employees utilizing 160 hours or four weeks of Paid Family Medical Leave (PFML) in FY 2022-23 and an additional spending authority of $5,562,374 in FY 2023-24 and ongoing.

This request aligns with the Department's Wildly Important Goal to make the State Government an "employer of choice" and will cover the costs to backfill essential or critical positions. This applies to departments that have critical positions that must be filled, including 24 by 7 work centers, direct care positions, and hourly non-exempt positions.

Current Program

The Family Medical Leave Act (FMLA), passed in 1993, entitles eligible employees that have worked at least 1,250 hours in a 12-month period to take up to 12 weeks per year of unpaid job-protected leave for specified family and medical reasons: to recover from a serious illness, to care for an ill family member, to care for a newborn or a newly adopted or fostered child, or for certain military purposes.

The State Personnel Director is granted the authority to prescribe procedures for the types, amounts, and conditions for all leave benefits that are typically consistent with prevailing practices in § 24-50-104, C.R.S. In this case, the implementation of the state's PFML benefit provided wage replacement for an already-existing leave benefit mandated under FMLA. Specifically, PFML provides permanent full-time employees up to 80 hours of paid leave (prorated for permanent part-time employees) per rolling 12 month period when employees are eligible and qualify for unpaid, job-protected Family Medical Leave (FML). PFML supplements and runs concurrently with FML and the short-term disability waiting period, if applicable. PFML is used before accrued paid leave except when an employee elects to use PFML to bond with their newborn child or for a newly placed adopted or foster child within 12 months after the birth or placement as allowed under FMLA.

The Department first implemented a PFML benefit in January 2021 for up to 80 hours of PFML, allowing departments with critical backfilled positions to request reimbursement from DPA at the end of the fiscal year, if their current appropriations are insufficient. This request increases the backfill amount to 160 hours, pursuant to negotiations with Colorado WINS.

Problem or Opportunity

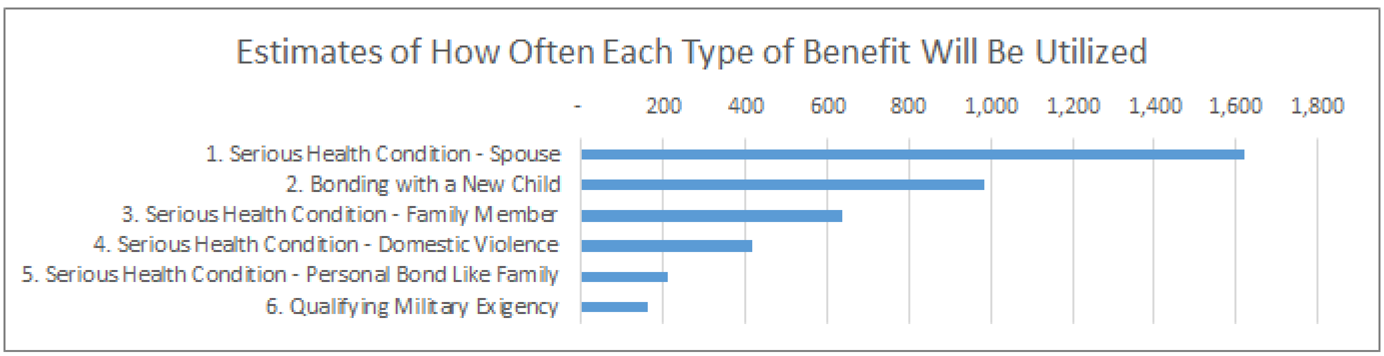
PFML has been shown through academic research to move the needle on a variety of social outcomes, including increased labor force participation, employee retention, lifetime earnings and retirement security (especially among women), and a reduction in the gender pay gap as a result of increasing usage of leave among working fathers. Research has also identified improved infant and child health outcomes, including reduced infant hospitalizations, and fewer infants with low birth weight.

More than half of all American workers have access to unpaid, job-protected leave through FMLA. Since its passage, FMLA has been used more than 100 million times by American workers to help balance the demands of the workplace and home. While these protections cover about sixty percent of the workforce, many eligible employees cannot afford unpaid leave and return to work early, while other employees quit rather than returning, which increases costs to recruit and train new employees.[1] According to the Bureau of Labor Statistics, approximately only 14% of all American workers have access

[1] https://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Technical-Report.pdf.

to PFML. According to the FY 2020-21 Annual Compensation Report, for those employers who do offer FML, most (the median and the average) offer seven weeks of leave. The State may face recruitment and retention challenges by not maintaining competitive benefit packages with other employers.

Currently, the Department is aware of nine states that have PFML for state employees. PFML refers to partially- or fully-compensated time away from work for caring and bonding with a newly arrived child, whether through circumstances such as birth, adoption, or foster placement of a child under 18 years of age, or for caring for a family member that has a serious health condition including domestic abuse, sexual assault or abuse, and stalking, as well as for qualifying events for military exigency. The chart below demonstrates the frequency of each type of leave that the Department expects state employees to utilize, based on an analysis of the estimated frequency for each benefit type applied to the state's workforce population. These estimates are based on Centers for Disease Control birth rates, death rates, marriage and divorce rates, along with the reported number of domestic violence crisis calls and the military population within the State.



The funding for the current PFML policy comes from the State's Group Benefit Plans Reserve Fund. Departments that are required to backfill certain positions are eligible to request a reimbursement of the expense to the extent that it contributes to an over-expenditure of the line item that funds these expenses. This is not a sustainable source of backfill funds on an ongoing basis for the State's PFML Benefit, as the Group Benefits Plans Reserve Fund pays for all expenses related to administering the medical, dental, vision, and pharmacy benefits for state employees. During the past year, the State's Group Benefit Plans Reserve Fund has maintained a higher fund balance than anticipated, primarily due to the impacts of COVID-19 and several medical procedures being either delayed or cancelled. As a result, the fund can likely absorb the PFML in the short-term, but a long-term solution is still needed.

Proposed Solution

The Department requests $5,400,366 in total funds, including $3,029,606 in General Fund in FY 2022-23, to cover the cost to backfill critical positions for state employees taking up to 160 hours of PFML. This will apply only to departments that have positions that must be filled, including 24 by 7 work centers, direct care positions, and hourly non-exempt positions, with an estimated one-third of all positions requiring backfill. As the PFML and subsequent backfill costs will be paid simultaneously, additional appropriations are required as existing budgets may not have adequate funds to cover these costs.

If approved, requested funds will be appropriated directly to departments within a centrally appropriated line in each Executive Director's Office, which will allow departments the flexibility to move appropriations to the necessary personal services lines as needed when employees utilize PFML and the departments incur backfill expenses.

Note that this decision item is separate from the paid family and medical leave insurance program (FAMLI) created by Initiative 118 in 2020. This program requires employees and employers to pay a payroll premium to finance FAMLI beginning January 1, 2023. Funding for the State's obligation under Initiative 118 has been provided in the FY 2022-23 total compensation common policy.

Table 1 provides the estimated total amount needed to implement the PFML.

Table 1: Summary of Spending Authority Requested for Statewide Agencies*

Estimated Annual Cost to Backfill Critical Positions	$5,400,366
Percent of Utilized Benefit that will be Backfilled	31.2%

*The estimated annual PFML utilized is included in the existing appropriation, as employees would receive 4 weeks of pay whether they work or take leave. The estimated annual cost to backfill critical positions is the additional appropriation needed. The remaining 68.8% of costs will be absorbed by agencies and is expected to result in improvements in turnover and recruitment.

This request falls under step one of the evidence continuum as shown in the table below.

Theory of Change	Providing 160 hours of PFML would benefit the state and state employees.		
Program Objective	Ensure that the state is an "employer of choice".		
Outputs being measured	N/A		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial

Results of Evaluation	N/A	N/A	N/A
Continuum Level	Step 1		

Anticipated Outcomes

Research indicates that paid leave benefits workers and employers while also providing positive economic impacts. The economic benefits of paid leave can be summarized into five key factors:

- increased labor-force participation;
- increased employee retention;
- limited or positive impacts on business operations;
- increased lifetime earnings and retirement security among workers, especially women; and
- increased use of leave among working fathers.

Research shows that PFML increases the likelihood that workers will return to work after a qualifying event and saves employers the expenses associated with recruiting and training new employees. Higher labor force participation affects economic growth by increasing inputs to production. Since the effect of paid leave on labor force participation rates is typically much higher for women than men, offering PFML can help push the economy towards gender equality in labor force participation. Further, it improves employee morale, has positive or at least no negative effects on workplace productivity, reduces costs to employers through improved employee retention, and improves family incomes. Research further suggests that expanding paid leave is likely to have economy-wide benefits such as reduced government spending on public assistance, which would bring significant economic gains, generating a larger tax base and increased consumer spending. Additionally, PFML for fathers helps to foster gender equity, both in the workplace and in the home, since it shortens leaves for mothers, increasing their job tenure and potentially their wage growth.[2]

The utilization of a PFML may drive a decreased usage of the short term disability benefit for the State, which may generate cost savings in future fiscal years. Also, the utilization of PFML will result in state employees utilizing less annual leave and sick leave, which may increase overall balances; these balances are liabilities that departments will eventually need to pay out as employees leave State employment (annual leave only) or retire (annual leave and a portion of sick leave). These impacts were not estimated for this request.

Assumptions and Calculations

[2] https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B334-Paid%20Parental%20Leave%20in%20the%20United%20States.pdf.

Table 2 outlines the estimated appropriations requested, in total funds, for critical position backfill, and the estimated appropriations requested as a percentage of the total benefit utilization.

Table 2: Department Allocations

Cabinet	Department	FY23 Estimated Annual Cost to Backfill Positions	% of Total Utilized Benefit that will be Backfilled
A	Personnel & Administration	$27,923	14.3%
B	Agriculture	$41,536	39.1%
C	Corrections	$2,025,459	76.8%
D	Education	$29,961	7.7%
E	Governor's Office	$0	0.0%
F	Public Health & Environment	$268,051	36.1%
G	Higher Education	$664,209	33.8%
H	Transportation	$31,381	2.2%
I	Human Services	$1,575,727	73.3%
J	Judicial Branch	$0	0.0%
K	Labor & Employment	$371,656	67.2%
L	Law	$0	0.0%
M	General Assembly	$0	0.0%
N	Local Affairs	$0	0.0%
O	Military & Veterans Affairs	$17,716	25.0%
P	Natural Resources	$111,198	18.0%
R	Public Safety	$43,460	4.1%
S	Regulatory Agencies	$36,163	11.5%
T	Revenue	$143,618	21.3%
U	Health Care Policy & Financing	$5,978	1.9%
V	State	$6,330	8.3%
W	Treasury	$0	0.0%
	Total	**$5,400,366**	**31.2%**

Employee demographics included in the analysis were pulled from the most recent workforce data (April 2021) and summarized at the department level for state agencies. Estimated usage of PFML utilizes an average base salary by department and assumes that employees who have been employed for a 12-month period prior to the date family leave will begin are eligible for the benefit, similar to the requirements under FMLA.

The overall 10.2% utilization rate shown in Table 3, below, is based on the number of employees that are currently eligible for FML, combined with the estimated occurrence of all qualifying events including for birth, adoption, foster placement, caring for a family member with a serious health condition including domestic abuse, sexual assault or abuse, and stalking, as well as for military exigency events. The utilization rate assumes that each employee has an average of four family members (three family members and one personal bond like family). Table 3 outlines the calculations and assumptions.

The calculation assumes that each eligible employee will utilize the full PFML available. It is assumed that up to 160 hours of PFML will be taken concurrently with the current length of time allowed by FMLA under State Personnel Rules, which is 12 weeks (480 hours) of unpaid FML, and up to an additional week (40 hours) of unpaid family medical leave provided by the State as an employer. If an employee utilizes more than 160 hours of family leave, it is assumed the additional weeks will be covered through annual leave, sick leave, or both.

Table 3: Utilization Estimates and Assumptions

Qualifying Event	State Employee Occurrence per Fiscal Year	Calculation
Birth, Adoption, Foster Placement (Bonding with Child)	984	CDC fertility rates by age bands by department
Serious Health Condition - Domestic Violence	416	(# of Domestic Violence crisis calls / State of CO population) **multiplied by** # of state employees
Serious Health Condition - Spouse	1,619	((CDC State of CO marriage rate - State of CO divorce rate) / State of CO population)) **multiplied by** # of state employees
Serious Health Condition - Family Member	635	(CDC State illnesses and death rate / State of CO population) **multiplied by** # of state employees; assuming 3 family members per employee
Serious Health Condition - Personal Bond Like Family	212	(CDC State illnesses and death rate / State of CO population) **multiplied by** # of state employees; assuming 1 personal bond like family per employee
Qualifying Military Exigency	162	((# of active duty members + # of army national guard in CO) / State of CO population) **multiplied by** # of state employees
Total Estimated Use (# of Occurrences)	4,028	Sum of all rows above
Total State Employee Population	39,485	Count from April 2021 Workforce data
Estimated Utilization	10.2%	Total Estimated Use (4,028) / State employee population (39,485)

The assumptions above were applied to a list of job classifications that are critical to daily business operations and therefore require additional funding to backfill. The list of job classifications that were deemed critical is included as Attachment A.

Attachment A
State of Colorado Job Classifications that Require Backfill

Job Classifications	
CHAPLAIN I	LABOR/EMPLOYMENT SPEC II
CHILD CARE AIDE	LABOR/EMPLOYMENT SPEC III
CLIENT CARE AIDE I	LABOR/EMPLOYMENT SPEC INT
CLIENT CARE AIDE II	LABOR/EMPLOYMENT SPEC IV
CLINICAL THERAPIST I	LABOR/EMPLOYMENT SPEC V
CLINICAL THERAPIST II	LABORATORY TECHNOLOGY I
CLINICAL THERAPIST III	LABORATORY TECHNOLOGY II
CLINICAL THERAPIST IV	LABORATORY TECHNOLOGY III
CORR SUPP TRADES SUPV I	LABORATORY TECHNOLOGY IV
CORR/YTH/CLIN SEC OFF I	MENTAL HLTH CLINICIAN I
CORR/YTH/CLIN SEC OFF II	MENTAL HLTH CLINICIAN II
CUSTODIAN I	MENTAL HLTH CLINICIAN III
CUSTODIAN II	MID-LEVEL PROVIDER
CUSTODIAN III	MUSEUM GUIDE
CUSTODIAN IV	NURSE I
DENTAL CARE I	NURSE II
DENTAL CARE II	NURSE III
DENTAL CARE IV	PHARMACIST I
DENTAL CARE V	PHARMACIST II
DENTIST I	PHARMACIST III
DENTIST II	PHARMACY TECHNICIAN I
DENTIST III	PHARMACY TECHNICIAN II
DIETITIAN II	PHYSICIAN I
DINING SERVICES I	PHYSICIAN II
DINING SERVICES II	SOCIAL WORK/COUNSELOR I
DINING SERVICES III	SOCIAL WORK/COUNSELOR II
DINING SERVICES IV	SOCIAL WORK/COUNSELOR III
DINING SERVICES V	SOCIAL WORK/COUNSELOR IV
EARLY CHILDHOOD EDUC I	STATE TEACHER AIDE
EARLY CHILDHOOD EDUC II	STATE TEACHER I
GUARDSMEN	STATE TEACHER II
HCS TRAINEE I	STATE TEACHER III
HCS TRAINEE II	STATE TEACHER IV
HCS TRAINEE III	TECHNICIAN I
HEALTH CARE TECH I	TECHNICIAN II
HEALTH CARE TECH II	TECHNICIAN III
HEALTH CARE TECH III	TECHNICIAN IV
HEALTH CARE TECH IV	TECHNICIAN V
HEALTH PROFESSIONAL I	THERAPY ASSISTANT I
HEALTH PROFESSIONAL II	THERAPY ASSISTANT II
HEALTH PROFESSIONAL III	THERAPY ASSISTANT III
HEALTH PROFESSIONAL IV	THERAPY ASSISTANT IV
HEALTH PROFESSIONAL V	VETERINARY TECHNOLOGY I
HEALTH PROFESSIONAL VI	VETERINARY TECHNOLOGY II
HEALTH PROFESSIONAL VII	VETERINARY TECHNOLOGY III
LABOR/EMPLOYMENT SPEC	VETERINARY TECHNOLOGY IV

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-02 Paid Family Medical Leave Funding

Dept. Approval By:	Cameron Bellamy 10/26/2021		**Supplemental FY 2021-22**
OSPB Approval By:	Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 13:40:01 -06'00'		**Budget Amendment FY 2022-23**
		X	**Change Request FY 2022-23**

Summary Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$0**	**$0**	**$0**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Paid Family Medical Leave Funding	**Total**	**$0**	**$0**	**$0**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-03 CSEAP Resources

Dept. Approval By: Cameron Bellamy 10/26/2021 ___ **Supplemental FY 2021-22**

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:31:56 -06'00' ___ **Budget Amendment FY 2022-23**

X **Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$8,253,732**	**$0**	**$8,253,943**	**$311,690**	**$290,690**
	FTE	11.0	0.0	11.0	2.5	2.5
	GF	$2,800,429	$0	$2,724,578	$0	$0
	CF	$257,633	$0	$259,279	$107,815	$100,815
	RF	$5,195,670	$0	$5,270,086	$203,875	$189,875
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Health, Life and Dental	**Total**	**$4,448,038**	**$0**	**$4,426,538**	**$42,258**	**$42,258**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,620,781	$0	$1,542,900	$0	$0
	CF	$145,314	$0	$164,158	$14,086	$14,086
	RF	$2,681,943	$0	$2,719,480	$28,172	$28,172
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Short-term Disability	**Total**	**$44,196**	**$0**	**$44,102**	**$271**	**$271**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$18,474	$0	$18,518	$0	$0
	CF	$1,759	$0	$1,491	$112	$112
	RF	$23,963	$0	$24,093	$159	$159
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$8,472**	**$8,472**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$0	$0
	CF	$55,280	$0	$46,815	$3,501	$3,501
	RF	$755,238	$0	$758,699	$4,971	$4,971
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Supplemental Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$8,472**	**$8,472**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$0	$0
	CF	$55,280	$0	$46,815	$3,501	$3,501
	RF	$755,238	$0	$758,699	$4,971	$4,971
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (B) Statewide Special Purpose, (1) Colorado State Employees Assistance Program - Personal Services	**Total**	**$908,645**	**$0**	**$938,472**	**$228,367**	**$228,367**
	FTE	11.0	0.0	11.0	2.5	2.5
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$78,665	$78,665
	RF	$908,645	$0	$938,472	$149,702	$149,702
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (B) Statewide Special Purpose, (1) Colorado State Employees Assistance Program - Operating Expenses	**Total**	**$70,643**	**$0**	**$70,643**	**$23,850**	**$2,850**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$7,950	$950
	RF	$70,643	$0	$70,643	$15,900	$1,900
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department of Personnel & Administration

FY 2022-23 Funding Request

November 1, 2021

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-03
Request Detail: CSEAP Resources

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$1,186,143	$311,690	$290,690
FTE	11.0	2.5	2.5
General Fund	$0	$0	$0
Cash Funds	$0	$107,815	$100,815
Reappropriated Funds	$1,186,143	$203,875	$189,875
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (DPA or the Department) is requesting $203,875 reappropriated funds, $107,815 cash funds, and 2.5 FTE in FY 2022-23, annualizing to $189,875 reappropriated funds and $100,815 cash funds in FY 2023-24 and ongoing. Additional resources are needed to support increases in workload, 24/7 crisis support, and statewide training within the Colorado State Employee Assistance Program (CSEAP or the Program) which has experienced increased program utilization. FY 2022-23 funding will be provided by a statewide allocation of costs. FY 2022-23 funding will be provided by a statewide allocation of costs. Continuation funding to be provided by all State agencies through the Risk Management common policy from the Liability Program. This request is aligned with the Department's Employer of Choice Wildly Important Goal (WIG).

Current Program

CSEAP is the employee assistance provider for State employees and agencies. The program was created over 30 years ago to address workplace and personal issues before impacting safety, productivity, working relationships, healthcare costs, and absenteeism, thus preventing negative impacts on the efficiency and effectiveness of State employees and managers. The CSEAP team of licensed professionals offers many services including mental health counseling, crisis and critical incident response, professional coaching (professional development focused on anger, emotions, conflict, and communication in the workplace), mediation, team facilitation, consultation to managers, universal policy support, and training on various topics as supported by statute (Section 24-50-604 (1)(k)(I), C.R.S.). Program offerings have been designed to meet intended needs set forth in statute. Preventative services for both State agencies and State employees include mental health counseling, professional coaching, leader consultations, and critical incident response.

CSEAP has offices located in Denver, Colorado Springs, Grand Junction, and Pueblo and has provided telehealth services and remote training via video or phone statewide. The program is currently funded with reappropriated funds through the Risk Management common policy allocations to State agencies for the Liability Program.

Problem or Opportunity

Despite annual increases in counseling services to State employees between FY 2015-16 and FY 2018-19, CSEAP staffing has remained static at the current 11.0 FTE. Across these fiscal years preceding the pandemic, the number of State employees served by CSEAP increased by more than 150 (accounting for all services) as well as in several service areas as shown in Table 1. Continued growing demand across all CSEAP services has produced a dilemma for Program service providers as they now must manage the menu of services they provide with their ability to provide them. CSEAP staff attempts to be responsive to State customer demand for the wide range of Program services; however, this inhibits time available for mental health counseling. A full plate for providers for extended periods of time may lead to higher levels of stress and potentially increase turnover which complicates matters for remaining staff.

Table 1. Count of CSEAP Services Provided / Fiscal Year					
Service Type	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**
Mental Health Counseling Requests/Intakes	1,648	1,860	2,072	2,305	2,195
Mental Health Counseling New Cases Served[1]	1,481	1,646	1,766	1,851	1,698
Professional Coaching	22	53	66	104	103
Critical Incident Response	6	12	21	30	18
Leader Consultation	Incomplete Data	161	205	226	231
Presentations: Webinar	Not Available	9	28	44	98
Presentations: On-Site[2]	35	113	98	109	72
Workplace Mediation	41	36	43	34	23
Work Group Facilitation	11	16	6	12	6
Psych Fitness for Duty	15	20	19	14	11
TOTAL PROGRAM COUNT	**3,259**	**3,926**	**4,324**	**4,729**	**4,455**

[1]'Cases served' indicates new mental health counseling cases seen for each listed fiscal year. A percentage of employees request appointments and complete a ten to fifteen minute intake (as listed above) and later abandon services via no-call no-show, canceling the appointment due to various factors, or seeking care in their community and/or through their health insurance benefits. CSEAP experienced a 33% increase in counseling requests between FY 2015-16 and FY 2019-20 and a 15% increase in cases served during the same time frame. The reduction in cases served for FY 2019-20 is seemingly accounted for by the COVID pandemic forcing many cancelations and requiring State employees to become comfortable with tele-therapy services in order to engage in services.

[2]Presentations were significantly impacted by the COVID-19 pandemic with webinar requests/offerings increasing significantly and requests and provision of on-site presentations reducing significantly starting in February 2020.

Program staff is working hard to keep up with growing demand across all services, however finite staff resources providing the full menu of CSEAP services has resulted in longer wait times for CSEAP's mental health counseling services. As shown in Table 2, wait times have increased considerably between 2017 and 2021, with current wait times of nearly three weeks. For employees who have restrictions associated with their work schedule (i.e. require an early morning or late afternoon CSEAP appointment) or desire to remain with their current counselor, the wait for an appointment is currently up to five weeks. While CSEAP positions in rural areas of the State have proven helpful serving State employees pre-pandemic, rural staff now work remotely via telehealth regardless of the employee's worksite or residential location. The program anticipates, based upon expressed employee demand, that many will desire a return to on-site and in-person appointments in the weeks and months to come. Providers in Denver, Grand Junction and Colorado Springs are working at least partially on-site.

Table 2. CSEAP Wait Times Per Calendar Year	
CY 2016	8.4 days
CY 2017	6.3 days
CY 2018	7.5 days
CY 2019	10 days
CY 2020	12.5 days
CY 2021 YTD	20 days

As the State employee mental health and consultation experts and in support of the Department's Employer of Choice WIG, CSEAP has also engaged in providing health coaching (focused on emotional, behavioral, and addiction-related employee needs) to employees – a program that anticipates growth in years to come. The struggle to provide CSEAP's wide variety of services leaves little capacity for staff to perform outreach and education to State agencies regarding CSEAP services or to State employees regarding their employee assistance program (EAP) benefits. This outreach work is currently ineffectively absorbed in various CSEAP positions, which creates limited capacity for consistent education and information distribution to all State workplaces and employees, and places further strain on existing staff. CSEAP outreach work is currently executed by a number of staff members including the Program Director, two Program Managers, the Operations Manager, and a mix of EAP Specialists who primarily work in counseling and coaching roles. While this outreach is necessary in order to promote the availability of EAP support to State agencies, the absorption of this outreach work reduces counseling and coaching time that would otherwise be available to State employees. According to a National Business Group on Health (2008) report, workplaces - through their EAPs - provide employee outreach regarding EAP services via web-based education and self-help materials (80% of employer EAPs), training (66% of employer EAPs), and general promotion of the service (41% of employer EAPs). CSEAP presentations and other outreach activities (wellness fairs, Q & A consultations about services) typically require at least 1-hour of presentation time and at least 1 hour of preparation and documentation time. Given these estimates, CSEAP staff spent at least 340 hours on these promotion and outreach activities in FY 2019-20. The Program is finding that an additional investment of time is needed on outreach in order to consistently reach new employees including new leaders, supervisors, and managers who play a significant role in promoting EAP services to their employees. While research proves the effectiveness of CSEAP in supporting positive employee outcomes, employees will not find the service helpful if they are unaware of its existence.

Post-Pandemic Psychological Landscape

National data[1,2] on workplace-associated stress suggests the prevalence of mental health concerns for the typical working adult. This generalized stress associated with work, combined with the pandemic, has forced a 'whole person' view of employees by their employers (American Psychological Association, 2021) thus prompting increased attention to employee mental health concerns. Lyra Health (2020) reports that 65% of surveyed employees nationwide experience on-the-job mental health impacts while 45% report feeling "completely burned out" in the wake of the pandemic and social justice concerns. Research on previous collective trauma (e.g. events of 9/11) indicate that the pandemic mental health impact will not ameliorate quickly; those studied following the events of 9/11 continued to experience persistent mental health impact one decade or more after the event. As demonstrated via the impacts of previous epidemics (Pan American Health Organization, 2009), it is anticipated that mental health concerns will become the 'second pandemic' as states recover from COVID-19.

Regarding State employees in particular, depression was the third highest billed condition in 2018 and the second highest billed condition in 2019 while anxiety was the ninth highest billed condition in the same calendar years. The cost - to the State as an employer - was between $10,300 and $11,500 per claim annually for these conditions in the stated calendar years. For the current FY 2020-21 benefits cycle, the State is experiencing depression as "the most prevalent chronic condition" in our insured employee population with anxiety and other symptoms of mental health conditions appearing as a top reported condition as well (information provided by Aon, the State's benefits broker and internationally recognized benefits consultant). In addition, the State of Colorado, as an employer, has consistently experienced antidepressant medication as the highest medication claim year after year. It bears mentioning that both intended and off-label use of antidepressant medication is associated with anxiety, depression, and behavioral concerns. In addition, Kaiser Permanente - a primary health insurance provider for State employees - reports a 31% increase in State employee mental health appointment attendance between February 2017 and February 2020. It is notable that State employees anecdotally report attending CSEAP appointments prior to or after defaulting to health insurance referrals or health plan providers due to the strain of meeting copays.

Health insurance claims information, including growth in use of mental health care, demonstrates the prevalence of mental health and behavioral concerns among State employees. As such, CSEAP anticipates continued increase in requests for services due not only to global, personal, and workplace impacts of collective trauma but also due to the consistently noted increase in mental health diagnosis and symptoms reported by

[1] https://www.cdc.gov/workplacehealthpromotion/tools-resources/pdfs/WHRC-Mental-Health-and-Stress-in-the-Workplac-Issue-Brief-H.pdf.

[2] https://news.harvard.edu/wp-content/uploads/2016/07/npr-rwjf-harvard-workplace-and-health-poll-report.pdf.

State employees in the years leading up to the COVID-19 pandemic. In addition, employers are necessarily improving their response to employee self-reported stress and mental health concerns by encouraging use of CSEAP and educating State employees on CSEAP services. Finally, while national data indicates employee utilization of EAP at 5.5%, CSEAP consistently experiences ~7% employee utilization for mental health counseling services alone.

Full-Day Crisis Support
State employees regularly seek on-demand support for urgent needs including immediate support related to the death of a colleague or coworker, a critical incident impacting the workplace, personal trauma, or community events that create individual and/or shared trauma. While CSEAP offers one hour of urgent (walk-in or phone-in) availability per day, this limited dedicated crisis time does not typically meet the needs of the requesting employee, manager, or leader. Currently, employees needing urgent support are scheduled as quickly as possible but are more often referred to community agencies, their health insurance provider, and/or are scheduled for a CSEAP appointment weeks following the request. Full-day crisis support coverage allows for immediate urgent response to the 20 to 30 critical incident (impacting up to 60 employees per request) requests received annually by CSEAP.

Statewide Training
CSEAP serves as a consultant to State agency leaders considering next steps in response to workplace violence, threats of workplace violence, and domestic violence impacting the work environment. Per the state Universal Policy addressing Workplace Violence including Domestic Violence Affecting the Workplace, agencies are required to engage threat assessment teams (TAT) to respond to and manage threats impacting their employees or worksites. While limited training has been available, upon request, in response to the original issuance of the policy and Executive Order in 2009[3], there has been disparate and inconsistent availability of training to all State agencies. In addition, there has been no on-going TAT training to ensure continuity of operations and threat response within agencies. While CSEAP staff can offer subject matter expertise on psychological fitness for duty processes and processes related to response to workplace violence, it is best practice to offer consistent training to all agencies covered by the universal policy to ensure adherence to the policy and help mitigate risk to organizations. Currently, disparate offerings of training are provided by CSEAP - including updates on changes to universal policies, the process for seeking a psychological evaluation, and understanding violent behavior at work - or by agencies as they see fit. Funds granted annually for threat assessment training will ensure consistent training to threat assessment team members and agency leaders, continuity of operations associated with threat assessment, and a preventive agency stance that can effectively reduce agency risk.

[3] https://spl.cde.state.co.us/artemis/goserials/go4113internet/2009/go41132009023internet.pdf

Proposed Solution

The Department requests $203,875 reappropriated funds, $107,815 cash fund spending authority, and 2.5 FTE in FY 2022-23 to be used by CSEAP to provide 24/7 crisis coverage, statewide training to State departments, two Social Worker/Counselors and a half-time Program Coordinator in order to meet the growing needs of State agencies and increasing caseload demands generated by State employees. Continuation funding of $290,690 beginning FY 2023-24 and ongoing, will be provided through the Risk Management common policy from the Liability Program.

In order to reduce the wait time of up to five weeks for CSEAP mental health appointments and more effectively meet the needs of all State employees seeking to utilize their EAP benefit, and reduce the potential of chronic job stress experienced by CSEAP staff, CSEAP requests 2.0 Social Worker/Counselor FTEs and 0.5 FTE to support continued outreach to State employees. This is necessary to ensure that all new and existing employees understand their CSEAP benefits, are directed to appropriate resources, receive urgent or critical connection to care, and receive regular information regarding their employers' support of their emotional wellbeing. Specifically, the additional two Social Worker/Counselors will provide services via telehealth and/or in-person services, both positions will provide mental health counseling to State employees, urgent appointment coverage (including critical incident response) to State employees, assistance with accessing financial and other resources in the community, health coaching, and wellbeing programming (e.g. grief groups, resiliency groups, etc.) to agencies and employees. The half-time Outreach Coordinator (classified as Program Coordinator) will provide outreach services in order to educate all State agencies and employees of CSEAP services. This position will align CSEAP outreach efforts with EDI Universal Policy accessibility standards ensuring that primary outreach tools — the CSEAP website, presentations, and printable web-based materials — are accessible to all employee populations. This position will provide presentations, develop accessible media highlighting wellbeing and CSEAP service availability, develop and distribute communications on mental health and workplace effectiveness topics, manage website content and social media messaging, and coordinate CSEAP presence at various State employee events.

The current midpoint for a Social Worker/Counselor III is $67,344. The market median for this match is $83,324. Current job postings reflect salaries ranging from $53,664 to $80,496. Given this discrepancy, it is justifiable to budget at the midpoint for recruitment of these positions. However, in order to mitigate potential compression issues within CSEAP, salaries for all positions included in this request fall in quartile two of their respective job classes (below the midpoint and above the minimum).

An alternative approach to reducing the CSEAP wait time for State employees, and protecting CSEAP employees from the burnout of excessive and high acuity caseloads, is reduction of services. While Section 24-50-604 (1)(k)(I), C.R.S., lists a substantial menu of services[4] which may be available via EAP, many of these services will be dropped by CSEAP in order to meet the more critical mental health needs of State employees. The CSEAP services at risk of termination include mediation and work group facilitation (focused on workplace conflict), presentations and training, professional coaching, managerial consultation, and Psychological Fitness for Duty case management.

State employees regularly seek on-demand support related to their mental health needs and workplace adverse events or critical incidents. The requested ongoing funds will provide full-day crisis line coverage so that State employees and managers can access immediate support associated with mental health crises, or violent or critical workplace events (i.e. death of an employee, violent workplace incident).

While CSEAP offers on-going training associated with several universal policies, neither CSEAP nor other state professionals serve as definitive subject matter experts on workplace violence threat assessment. This had led to disparate and inconsistent availability of training to all State agencies. CSEAP seeks ongoing funds to provide annual threat assessment training and agency TAT coordination to HR, safety, and EAP professionals in an effort to mitigate risk and increase workplace safety.

Equipment
The additional FTE needed in order to meet continuing demand of counseling and coaching support for State employees necessitates purchase of equipment aligned with the Governor's directive to reduce physical footprint. Newly hired CSEAP staff will join existing staff in a hybrid work location model that allows for scheduled days of remote work to be coupled with several days of on-site work (to ensure access to clients seeking in-person services). Budgeted funds will be used to purchase laptops and accompanying accessories to allow for efficient transition between work locations.

This request is considered a step four on the evidence continuum as shown in the table below.

Theory of Change	CSEAP services are tied to positive trends in absenteeism, presenteeism, engagement, and satisfaction.
Program Objective	Ensure that the State of Colorado is an "employer of choice".
Outputs being measured	Absenteeism, presenteeism, engagement, and satisfaction, as measured by the workplace outcome suite.
Outcomes being measured	Funding will be utilized to update 2015 data on the effectiveness of CSEAP services.

[4] Per Section 24-50-604, C.R.S., "The program may provide services to state employees and their employers, which may include, without limitation: (A) Conflict resolution; (B) Crisis intervention; (C) Anger management classes; (D) Employer and employee mediation; (E) Consultations with supervisors and managers regarding problem employees; (F) Violence in the workplace training; (G) Sexual harassment training; and (H) Any other facilitated groups and workshops addressing workplace issues."

Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	2015 metrics can be found here	N/A	N/A
Continuum Level	Step 4		

Consequences if Not Funded

If this request for CSEAP resources is not approved, State employees will continue to experience lengthy delays when requesting CSEAP services. CSEAP staff are likely to experience burnout from excessive and high acuity caseload which may result in turnover or a reduction of services in order to meet more critical mental health needs of State employees. Requests for crisis services will continue to be referred to community agencies, employee health insurance providers, and/or are scheduled for a CSEAP appointment weeks following the request. Disparities will continue among State agencies regarding the availability and implementation of universal threat assessment training and planning as CSEAP resources are unable to accommodate such needs. CSEAP services such as mediation, training, professional and managerial coaching/consultations could be eliminated in order to reduce strain on CSEAP staff resources. Continued outreach and education efforts may diminish as current CSEAP staffing resources are reprioritized elsewhere, leaving State agencies and State employees unaware of the full scope of CSEAP services.

Anticipated Outcomes

If this request is approved, CSEAP anticipates an increased ability to meet State employee demand for EAP services including mental health counseling, professional coaching, health coaching, mediation, outreach/information on CSEAP services, and mental health concerns shortening the delay between the time of request for services and first appointment date. CSEAP staff will experience some relief as workload may be allocated across more staff members. CSEAP can continue offering health coaching in partnership with the Department's Employee Benefits Unit in alignment with the DPA Employer of Choice Wildly Important Goal (WIG) providing health coaching focused on the emotional, behavioral, and addiction-related needs of State employees. State employees will have access to 24/7 crisis services and State agencies will have access to uniform threat assessment resources as well as increased access to other services provided to agencies by CSEAP staff including mediation and work group facilitation, professional coaching, managerial consultations, and Psychological Fitness for Duty case management.

The Department will measure the success of additional resources through metrics including, but not limited to: the delay between the request for services and first appointment, the implementation and utilization of universal threat assessment training, increased awareness and utilization of CSEAP services by State agencies and State employees.

Assumptions and Calculations

Calculations for the FTE in this request are provided in the table below.

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2022-23		FY 2023-24	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
SOCIAL WORK/COUNSELOR IV	$2,693	1.0	$70,018	1.0	$70,018
PERA			$7,632		$7,632
AED			$3,501		$3,501
SAED			$3,501		$3,501
Medicare			$1,015		$1,015
STD			$112		$112
Health-Life-Dental			$14,086		$14,086
Subtotal Position 1, #.# FTE		**1.0**	**$99,865**	**1.0**	**$99,865**
Classification Title	Biweekly Salary	FTE		FTE	
SOCIAL WORK/COUNSELOR IV	$2,693	1.0	$70,018	1.0	$70,018
PERA			$7,632		$7,632
AED			$3,501		$3,501
SAED			$3,501		$3,501
Medicare			$1,015		$1,015
STD			$112		$112
Health-Life-Dental			$14,086		$14,086
Subtotal Position 2, #.# FTE		**1.0**	**$99,865**	**1.0**	**$99,865**
Classification Title	Biweekly Salary	FTE		FTE	
PROJECT COORDINATOR	$2,262	0.5	$29,406	0.5	$29,406
PERA			$3,205		$3,205
AED			$1,470		$1,470
SAED			$1,470		$1,470
Medicare			$426		$426
STD			$47		$47
Health-Life-Dental			$14,086		$14,086
Subtotal Position 2, #.# FTE		**0.5**	**$50,110**	**0.5**	**$50,110**
Subtotal Personal Services		2.5	**$249,840**	2.5	**$249,840**

Operating Expenses:		FTE		FTE	
Regular FTE Operating Expenses	$500	3.0	$1,500	3.0	$1,500
Telephone Expenses	$450	3.0	$1,350	3.0	$1,350
Laptops, One-Time	$2,000	3.0	$6,000		$0
Office Furniture, One-Time	$5,000	3.0	$15,000		$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Other					
Other					
Subtotal Operating Expenses			$23,850		$2,850
TOTAL REQUEST		2.5	$273,690	2.5	$252,690
General Fund:		-	$0	-	$0
Cash funds:		1.0	$107,815	1.0	$100,815
Reappropriated Funds:		1.5	$165,875	1.5	$151,875
Federal Funds:		-	$0	-	$0

Additional request details are provided in the following table.

R-03 CSEAP Resource Request Detail					
	FY 2022-23		FY 2023-24		Detail
Personal Services (fully loaded)	1.0	$99,865	1.0	$99,865	Social Work/Counselor IV
	1.0	$99,865	1.0	$99,865	Social Work/Counselor IV
	0.5	$50,110	0.5	$50,110	Project Coordinator
Equipment (Operating Expenses)		$23,850		$2,850	Laptop equipment to support hybrid work location, other operating expenses
Full-Day Crisis Support		$18,000		$18,000	Rocky Mountain Crisis Partners
Training		$20,000		$20,000	Annual universal policy-associated threat assessment training for stakeholders
Request Total	**2.5**	**$311,690**	**2.5**	**$290,690**	

Statewide allocations of FY 2022-23 funding needed in this request are provided in the following table. Continuation funding will be allocated through the Risk Management common policy from the Liability Program beginning FY 2023-24. (Statewide allocation fund splits can be found in each agency's non-prioritized Schedule 13.)

FY 2022-23 Statewide Allocations for R-03 Request					
	TF	GF	CF	RF	FF
Agriculture	$2,691				
Corrections	$28,176				
Education	$7,564				
Health Care Policy	$3,180				
Higher Ed	$24,914				
Human Services	$17,166				
Judicial	$18,124				
Labor & Employment	$2,385				
Law	$3,038				
Legislature	$1,549				
Local Affairs	$856				
Military Affairs	$734				
Natural Resources	$5,138				
Office of the Governor	$22,773				
Personnel & Administration	$3,690				
Public Health	$8,583				
Public Safety	$6,544				
Regulatory Agencies	$2,813				
Revenue	$5,892				
Secretary of State	$2,141				
Transportation	$35,741				
Treasury	$183				
TOTAL ALLOCATION	$203,875				

CSEAP wait times previously referenced in this request are based upon a simple sample of counseling clients listed in the CSEAP medical record system. Wait time is calculated by determining the number of days between intake date (typically initial contact with CSEAP) and first counseling session date; wait times listed in the table are averages based upon simple sampling of the client population. Samples were selected from the months of August and April for each year listed; the sample for 2021 year-to-date was selected from the population of any client seeking services between January 1, 2021, and July 13,

2021. Wait times are impacted by available staff, client/employee counselor preference, and availability of both counselor and client.

CSEAP Wait Times Per Calendar Year	
CY 2016	8.4 days
CY 2017	6.3 days
CY 2018	7.5 days
CY 2019	10 days
CY 2020	12.5 days
CY 2021 YTD	20 days

Additional Sources

https://easna.org/wp-content/uploads/2015/05/Contemporary-EAP-Research-Demonstrating-the-Impact-of-EAP-Services-on-Workplace-Outcomes-2015.pdf

Refer to https://www.ehstoday.com/safety-leadership/article/21918281/presenteeism-costs-business-10-times-more-than-absenteeism for an understanding of absenteeism (days out of work) vs. presenteeism (unproductive days at work).

https://www.socialworkers.org/LinkClick.aspx?fileticket=y_q0WefZ_Ho%3d&portalid=0

https://aims.uw.edu/sites/default/files/Behavioral%20Health%20Care%20Manager%20Caseload%20Guidelines_072120%20Final.pdf

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-04 Total Compensation Report & Comp Analyst

Dept. Approval By:	Cammon Bellamy	10/26/2021	____	**Supplemental FY 2021-22**
OSPB Approval By:	Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:31:56 -06'00'		____	**Budget Amendment FY 2022-23**
			X ____	**Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$9,449,429**	**$0**	**$9,689,745**	**($144,505)**	**$148,895**
	FTE	19.2	0.0	19.2	1.0	1.0
	GF	$4,975,414	$0	$5,169,495	($144,505)	$148,895
	CF	$257,633	$0	$259,279	$0	$0
	RF	$4,216,382	$0	$4,260,971	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Health, Life and Dental	**Total**	**$4,448,038**	**$0**	**$4,426,538**	**$10,042**	**$10,042**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,620,781	$0	$1,542,900	$10,042	$10,042
	CF	$145,314	$0	$164,158	$0	$0
	RF	$2,681,943	$0	$2,719,480	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Short-term Disability	**Total**	**$44,196**	**$0**	**$44,102**	**$128**	**$128**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$18,474	$0	$18,518	$128	$128
	CF	$1,759	$0	$1,491	$0	$0
	RF	$23,963	$0	$24,093	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$4,012**	**$4,012**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$4,012	$4,012
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Supplemental Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$4,012**	**$4,012**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$4,012	$4,012
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - Personal Services	**Total**	**$1,871,858**	**$0**	**$1,931,790**	**$90,156**	**$90,156**
	FTE	19.2	0.0	19.2	1.0	1.0
	GF	$1,871,858	$0	$1,931,790	$90,156	$90,156
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - Operating Expenses	**Total**	**$88,127**	**$0**	**$88,127**	**$47,145**	**$40,545**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$88,127	$0	$88,127	$47,145	$40,545
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
	Total	**$215,000**	**$0**	**$425,000**	**($300,000)**	**$0**
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - Total Compensation and Employee Engagement Surveys	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$215,000	$0	$425,000	($300,000)	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-04
Request Detail: Total Compensation Report & Compensation Analyst

Summary of Funding Change for FY 2022-23

		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$2,259,985	($144,505)	$148,895
FTE	19.2	1.0	1.0
General Fund	$2,259,985	($144,505)	$148,895
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (the Department or DPA) is requesting a reduction of $144,505 in General Fund spending authority in FY 2022-23, and an increase of $148,895 in FY 2023-24 to realign the Total Compensation survey process and provide resources for ongoing analysis of the State's compensation framework for classified staff. The realignment consists of a number of separate actions, including several to address audit recommendations. The actions are: an adjustment to the cadence of the annual Total Compensation report; moving the full actuarial total compensation analysis from a biennial requirement to a quadrennial requirement; an operating appropriation to procure the surveys and data necessary to perform focused compensation analysis; and 1.0 FTE at the midrange of a Human Resource Specialist IV position for FY 2022-23 and ongoing to support the State's Compensation Manager.

This request will require adjustments to various aspects of the statute that outlines the requirements and timing of the annual Total Compensation report. The majority of these adjustments will happen in Title 24, Article 50, Section 104 of statute.

Current Program

The Department of Personnel & Administration's (2) Division of Human Resources, (A) State Agency Services, Personal Services line item includes funding for the positions that provide compensation expertise for the State of Colorado. The Compensation Unit consists of two full time employees that are responsible for analyzing, coordinating, communicating, and implementing any and all changes to the State's compensation framework. This includes, but is not limited to, major areas of effort such as:

1. Regular training and communication for stakeholders in various state agencies across the State on compensation related topics,
2. Constant observation and monitoring of employment and salary trends (including base salary and any ancillary offerings) in the market,
3. Coordination of the Annual Total Compensation Report, due on the 15^{th} of September each year, and alternating between a full actuarial analysis and a maintenance year analysis,
4. Responding to department-specific requests for analysis on positions that may have recruitment and retention issues (Coordinated Compensation Budget Requests),
5. Providing salary expertise and analysis to the Labor Relations unit in its efforts to negotiate a labor contract as required under HB 20-1153,
6. Implementation of the Equal Pay for Equal Work Act

There are many other tasks and responsibilities managed by this unit on a day-to-day basis. Current workload consumes more than the standard amount of time allocated for the two FTE assigned to the compensation unit. Table 1 below outlines the roles, responsibilities, and the time required to perform each function on a weekly and annual basis.

Table 1: Current Staffing Workload Obligations

Description	Compensation Manager	HR Specialist IV (Current)
Strategic Compensation Planning	10.0	2.0
Labor Negotiations	3.0	0.0
Meetings (Planned & Ad Hoc)	20.0	4.0
Agency Compensation Support	8.0	10.0
Compensation Initiatives	4.0	0.0
Job Evaluation	0.0	2.0
Contracts	0.0	5.0
Salary Survey & Research	1.0	15.0
System Maintenance Studies	0.0	5.0
Leadership Team	2.0	0.0
Review of Technical Guidance	0.0	0.0
Weekly Total Hours	**48.0**	**43.0**
Annual Total Hours	**2,496**	**2,236**

Problem or Opportunity

The total compensation process at DPA is subject to a mandatory audit every four years. The most recent audit occurred in 2021, and the auditor presented its findings to the Legislative Audit Committee (LAC) on June 22, 2021. The auditor had minimal findings regarding the overall total compensation process, but did include two recommendations in the report, the text of both is available in the appendix to this document.

The Department agreed with all points included in Recommendation No. 1, outlined on page 25 of the full report. Half of the Auditor's recommendations (a, c, e, and f) require the Department to undertake a number of additional validations, verifications, and comparisons of and within the data used to benchmark the State's job classes to the market. As documented in the Current Program section, this represents additional work that the Department cannot undertake without the elimination or significant postponement of other roles or responsibilities. Even in years where the Department is not producing the full report (either in a maintenance year or an actuarial analysis year), the recommendations provided by the vendor would extend to any analysis produced by the Department for a System Maintenance Study, general benchmarking, or any other type of analysis. The Department understands the value of the Auditor's recommendations and their applicability to all aspects of its work, but does not currently have the resources to perform this level of analysis given current workload.

The balance of Recommendation No. 1 (b,d,g, and h) addresses the Auditor's concerns around the selection and application of the market data in the overall survey process. Specifically, recommendations b and d require the Department to use at least 3 market data sources per benchmark comparison and obtain salary information that is as current as possible to avoid aging data beyond a 24 month horizon, respectively. Currently, the Department obtains its survey data from the vendor it has under contract for the full and maintenance year studies. If this request is approved, the Department may modify its contract with the vendor (which may require termination), likely losing access to the surveys needed to conduct relevant compensation analysis. The Department will continue to need additional resources to secure the surveys necessary to perform detailed analysis of individual job classes, job series, geographical differentials, and other compensation related analysis.

The Auditor's Recommendation No. 2 asks the Department to consider and assess alternatives to its full year/maintenance year approach to providing the Total Compensation Survey. The Department agreed to provide a report on that assessment to the General Assembly by December 31, 2021. Since the release of the audit, the Department identified a number of opportunities that might be achieved by moving to a different cadence for the Total Compensation Report, and some of those opportunities are:

1. The ability to pivot the focus of compensation staff from maintaining and updating the same general information year-over-year to a more proactive paradigm in which the compensation unit can focus on analysis of, and change to, specific areas of demonstrated need or divergence with the market,
2. Updating the annual submission date of any report so that it allows for enough time to process and analyze compensation surveys released in the late summer or early fall,
3. Revising the effective date of the Total Compensation Survey to reduce or eliminate the need to use data aged more than 24 months,
4. Leverage the savings associated with moving the full total compensation analysis from a biennial to quadrennial cycle and instead providing the focused analysis mentioned above.

These opportunities, among the other benefits of this request, are principal drivers in the Department submitting this request in advance of the report due on December 31, 2021.

Finally, the compensation unit currently has two full time staff allocated to it. Under the current circumstances, and without consideration of the additional level of analysis required to meet parts a, c, e, and f of Recommendation No. 1, current staff regularly works considerably more than a standard work week and the impact of this workload is putting staff in jeopardy of burnout.

Proposed Solution

The Department is requesting that the full Total Compensation Report, which requires the services of an actuary, be moved to a quadrennial cadence. Additionally, the Department is requesting that any and all total compensation-related reports be submitted to the General Assembly no later than October 1 for consideration by the Joint Budget Committee for budget-setting purposes. In the context of the opportunities outlined in the previous section, these solutions are logical extensions of Recommendation No. 2 as outlined in the June 2021 report and reproduced in the appendix of this document. Moving the cadence of the Total Compensation Report and the submission date of any compensation-related materials will help to resolve the entirety of Recommendation No. 2, as well as parts b, d, g, and h of Recommendation No. 1.

By moving to a once every four year submission, the State of Colorado will save $300,000 every four years. The Department will be able to focus its compensation resources on focused analysis of the State's compensation framework as opposed to the general analysis it currently provides on an annual basis. The focused analysis will allow the State to investigate areas of demonstrated need or divergence with the market in a proactive manner, as opposed to reacting to situations in which the State has already fallen behind the market compensation levels due to practice or demand.

Revising the submission date to the General Assembly for any compensation related reports provides the Department an opportunity to use survey data released in closer chronological proximity to the effective date of any compensation changes. The data in the updated surveys will be "aged" less than data from previous surveys, which means any compensation analysis provided by the Department will be more closely aligned with market trends in effect when compensation changes are deliberated and incorporated into the budget.

In its assessment of the current responsibilities of the compensation unit, the proposed responsibilities outlined in this request, and parts a, c, e, and f of the Auditor's Recommendation No. 1, the Department requests that the savings generated by moving to a quadrennial cadence for the full Total Compensation Report be moved to the Personal Services line to fund an additional compensation staff (HR Specialist IV at the midpoint of the range) to support this unit's activity. The additional staff will provide additional technical expertise to address the Auditor's concerns and allow DPA to be more responsive to market trends. The table below outlines the projected responsibilities for the unit if this request is approved.

Table 2: Projected Workload Obligations			
Description	**Compensation Manager**	**HR Specialist IV (Current)**	**HR Specialist (Requested)**
Strategic Compensation Planning	10.0	2.0	5.0
Labor Negotiations	3.0	0.0	0.0
Meetings (Planned & Ad Hoc)	20.0	4.0	0.0
Agency Compensation Support	8.0	10.0	0.0
Compensation Initiatives	4.0	0.0	0.0
Job Evaluation	0.0	2.0	4.0
Contracts	0.0	5.0	0.0
Salary Survey & Research	1.0	15.0	0.0
System Maintenance Studies	0.0	5.0	30.0
Leadership Team	2.0	0.0	0.0
Review of Technical Guidance	0.0	0.0	4.0
Total	**48.0**	**43.0**	**43.0**

Modification of the current vendor's contract, which may garner the $300,000 savings shown in this request in FY 2022-23, will eliminate DPA's access to compensation survey data. To purchase those surveys, the Department will require $39,595 per year. Please see the detail in the Assumptions and Calculations section of this request for a calculation of this total need.

Finally, this request will require a number of statutory changes to change the cadence and timing of the Total Compensation Report, as well as any other reports the Department will be submitting to the General Assembly to address focused compensation issues. Please see the attached document that outlines the Department's requested statutory changes.

This request falls under level one of the evidence continuum as shown below.

Theory of Change	Total compensation survey process and State's compensation framework for classified staff		
Program Objective	To complete the total compensation survey process and an analysis of the State's compensation framework.		
Outputs being measured	N/A		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Level 1		

Anticipated Outcomes

The anticipated outcomes have been outlined in the Proposed Solution section of this request.

Assumptions and Calculations

Please see the FTE Template included in the Assumptions and Calculations section for calculation of the annual cost of the Human Resources Specialist (HR Spec) IV position. The Department has recent experience in the recruitment difficulties associated with compensation specialists. The current Compensation Manager's position was vacant for approximately three years, and the Department attempted multiple recruitments for this position during that time - all failed until the current manager was selected, which was only successful because a residency waiver was granted. Therefore, the Department is requesting to fill this HR Specialist IV position at the midpoint of the range.

Table 3 below shows the requested amount for total compensation surveys.

Table 3: Schedule of Compensation Surveys	
Survey Name	**Annual Cost**
Willis Towers Watson - General Industry	
Accounting Compensation	*$2,600*
Human Resources Compensation	*$2,600*
Information Technology Compensation	*$2,600*
Middle Management Compensation	*$2,600*
Business & Office Support Compensation	*$2,600*
Professional Survey	*$2,600*
Willis Towers Watson - Subtotal	$15,600
CompData	$3,495
Mercer Benchmark Database	$20,500
Total Annual Survey Need	**$39,595**

The contract with the current vendor allows the Department to secure survey data, a benefits report, and consulting services for years in which a full analysis is not conducted. Since the Department cannot be certain that the vendor will commit to providing these additional items in the absence of funding for a full analysis, the Department is requesting the funding necessary to secure the surveys.

Table 4 below shows the four-year impact of this request, by line item, all of which is General Fund.

Table 4 Calculation of General Fund Appropriation Adjustments				
Line Item	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**
Current (Prior to Approval of this Request)				
(2) Division of Human Resources, State Agency Services				
Personal Services	$1,871,858	$1,871,858	$1,871,858	$1,871,858
FTE	19.2	19.2	19.2	19.2
Operating Expenses	$88,127	$88,127	$88,127	$88,127
Total Compensation & Engagement Surveys	$300,000	$215,000	$300,000	$215,000
Subtotal Current Appropriation	*$2,259,985*	*$2,174,985*	*$2,259,985*	*$2,174,985*
Future (If this Request is Approved)				
(2) Division of Human Resources, State Agency Services				

Personal Services	$1,962,014	$1,962,014	$1,962,014	$1,962,014
FTE	20.2	20.2	20.2	20.2
Additional Centrally Appropriated Costs	$18,194	$18,194	$18,194	$18,194
Operating Expenses	$135,272	$128,672	$128,672	$128,672
Total Compensation & Engagement Surveys	$0	$215,000	$300,000	$215,000
Subtotal Future Appropriation Need	*$2,115,480*	*$2,323,880*	*$2,408,880*	*$2,323,880*
Incremental General Fund Need	**($144,505)**	**$148,895**	**$148,895**	**$148,895**
Incremental FTE Need	**1.0**	**1.0**	**1.0**	**1.0**

Note that the Total Compensation & Engagement Surveys line item has an appropriation that alternates, on an annual basis, between $300,000 for the total compensation survey and $215,000 for the State's Employee Engagement Survey. The $215,000 every other year for the Employee Engagement Survey is not impacted by this request.

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time staff.**

Expenditure Detail			FY 2022-23		FY 2023-24
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
HUMAN RESOURCES SPEC IV	$3,086	1.0	80,245.00	1.0	80,245.00
PERA			8,747.00		8,747.00
AED			4,012.00		4,012.00
SAED			4,012.00		4,012.00
Medicare			1,164.00		1,164.00
STD			128.00		128.00
Health-Life-Dental			14,086.00		14,086.00
Subtotal Position 1, #.# FTE		**1.0**	**112,394.00**	**1.0**	**112,394.00**
Subtotal Personal Services		1.0	**112,394.00**	1.0	**112,394.00**

Operating Expenses:		FTE		FTE	
Regular FTE Operating Expenses	$500	1.0	500.00	1.0	500.00
Telephone Expenses	$450	1.0	450.00	1.0	450.00
PC, One-Time	$1,600	1.0	1,600.00	0.0	0.00
Office Furniture, One-Time	$5,000	1.0	5,000.00	0.0	0.00
Indirect Costs, if applicable			0.00		0.00
Leased Space, if applicable	$6,600		0.00		0.00
Other					
Other					
Subtotal Operating Expenses			**7,550.00**		**950.00**
TOTAL REQUEST		1.0	**115,900.00**	1.0	**109,300.00**
	General funds:		*115,900.00*		*109,300.00*
	Cash funds:		*0.00*		*0.00*
	Reappropriated Funds:		*0.00*		*0.00*
	Federal funds:		*0.00*		*0.00*

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.

Appendix:

Auditor's Recommendations included in the June 2021 "Evaluation of the Department of Personnel & Administration's Annual Compensation Survey":

Recommendation No. 1:
The Department of Personnel & Administration (Department) should continue to strengthen its annual compensation study process and ensure the validity and reliability of the underlying data being used to assess the prevailing labor market by:

a. Assessing and reporting on the impact of data differences between the full year and maintenance year studies on year-to-year changes in the State's market position.

b. Using at least three market data sources for each benchmark job. If this cannot occur, the Department should reassess whether the job is appropriate for continued use as a benchmark.

c. Reviewing benchmark jobs with median market base salaries that vary by 10 percent or more between full and maintenance year compensation studies to identify and correct any underlying data issues before relying on the data for the market analysis.

d. Continuing efforts to obtain salary survey data that is as current as possible and avoiding relying on data that is aged more than 24 months.

e. Reviewing those benchmark jobs with significant differences between the lowest and highest median market base salary data points from the salary surveys for reasonableness and appropriateness.

f. Reviewing the referenced data cuts for the full year and maintenance year compensation studies to ensure they remain comparable, reasonable, and consistently reflect the State's defined labor market.

g. Modifying the custom survey to prioritize and provide more balance to public sector employers when gathering salary information.

h. Modifying the custom survey to collect available incentive pay data from public sector employers and reassessing the incentive pay calculation to ensure that it reflects an average of all published data sources.

Recommendation No. 2:
The Department of Personnel & Administration should consider and assess alternatives to its full year—maintenance year approach to the annual compensation study and submit a report to the Legislative Audit Committee and the Joint Budget Committee on any recommended changes, including any necessary statutory changes, by December 31, 2021.

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-05 Ensuring Equity for People with Disabilities

Dept. Approval By:	Cameron Bellamy 10/26/2021	____	**Supplemental FY 2021-22**
OSPB Approval By:	Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:31:56 -06'00'	____	**Budget Amendment FY 2022-23**
		X	**Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$7,274,444**	**$0**	**$7,244,828**	**$516,481**	**$516,481**
	FTE	0.0	0.0	0.0	1.0	1.0
	GF	$2,800,429	$0	$2,724,578	$516,481	$516,481
	CF	$257,633	$0	$259,279	$0	$0
	RF	$4,216,382	$0	$4,260,971	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Health, Life and Dental	**Total**	**$4,448,038**	**$0**	**$4,426,538**	**$10,042**	**$10,042**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,620,781	$0	$1,542,900	$10,042	$10,042
	CF	$145,314	$0	$164,158	$0	$0
	RF	$2,681,943	$0	$2,719,480	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Short-term Disability	**Total**	**$44,196**	**$0**	**$44,102**	**$101**	**$101**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$18,474	$0	$18,518	$101	$101
	CF	$1,759	$0	$1,491	$0	$0
	RF	$23,963	$0	$24,093	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$3,169**	**$3,169**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$3,169	$3,169
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Supplemental Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$3,169**	**$3,169**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$3,169	$3,169
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (B) Statewide Special Purpose, (4) Equity for People With Disabilities - Equity for People With Disabilities	**Total**	**$0**	**$0**	**$0**	**$500,000**	**$500,000**
	FTE	0.0	0.0	0.0	1.0	1.0
	GF	$0	$0	$0	$500,000	$500,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-05
Request Detail: Ensuring Equity for People with Disabilities

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	**FY 2022-23 Request**	**FY 2023-24 Request**
Total Funds	0	$516,481	$516,481
FTE	0.0	1.0	1.0
General Fund	0	$516,481	$516,481
Cash Funds	0	0	0
Reappropriated Funds	0	0	0
Federal Funds	0	0	0

Summary of Request

The Governor's Office is requesting, through the Department of Personnel & Administration (DPA), $516,481 General Fund and 1.0 FTE to hire a State Americans with Disabilities Act (ADA) Coordinator Position and establish a centralized accommodation program and fund for all agency ADA accommodations. The Department requests the new Equity Office program line item be placed in the (1) Executive Office (C) Other Statewide Special Purpose section of the Department's long bill. This new program will directly improve equity, diversity, and inclusion (EDI) by creating a coordinated approach to reviewing and granting reasonable ADA accommodations, ensuring such accommodations are made for new and existing state employees and members of the public, and provide a funding source for other accessibility modifications. Completing reasonable accommodation requests will also improve employee productivity and morale, reduce workers compensation claims, increase employee retention, and improve the accessibility of state buildings for employees and the public.

Current Program

Title II of the Americans with Disabilities Act (ADA) addresses public accommodations and requires all state or local government entities with 50 or more employees to appoint a responsible person to coordinate the administrative requirements of ADA compliance and to respond to complaints filed by the public. A detailed description of the responsibilities of the ADA Title II Coordinator can be found here.

In Colorado, most state agencies assign a staff member as the ADA Title II Coordinator. A survey of agency ADA Title II Coordinators in 2020 resulted in 10 responses: one person indicated ADA Title II Coordination was 76%-100% of their job duties, one indicated it was 51%-75% of their job duties, and eight indicated it was less than 25% of their job duties. In FY 2019-20 1,458 reasonable accommodation requests were made to state agencies by members of the public, 1,296 of which were through the Department of Local Affairs (DOLA) regarding housing, with 96% of all requests approved. Of the responding agencies, six spent $0 on accommodations, two spent $200, two spent $500, and one spent $4,000.

Title I of the ADA addresses employment and it does not legally require ADA Coordinators. However, most state agencies have identified someone to act in this capacity to accommodate their employees and job applicants and the state is legally required to accommodate employees and job applicants under Title I of the ADA. A survey of agency ADA Title I Coordinators in 2020 resulted in 18 responses: one person indicated ADA Title I Coordination was 76%-100% of their job duties, two indicated it was 51%-75% of their job duties, and 15 indicated it was less than 25% of their job duties. In FY19-20, 383 reasonable accommodation requests were made by state employees with 56% approved. Of the responding agencies, nine spent $0 on accommodations, one spent $20, one spent $30, one spent $100, two spent $200, three spent $500, and one spent $2,000.

Problem or Opportunity

Currently, all state agencies fund both Title I and Title II accommodation requests through individual divisions' operating budget. This creates inconsistencies in the way reasonable accommodations requests are considered and granted, strains operating budgets in years in which significant accommodations are needed, could lead to the driscrimination of job applicants with disabilities, and decreases productivity for new and existing employees awaiting reasonable accomodations.

This request fits in the broader equity, diversity, and inclusion effort that began in August 2020 with the signing of the Equity, Diversity, and Inclusion (EDI) Executive Order D 2020 175, which directed DPA to take immediate action around accessibility and the ADA.

Proposed Solution

Alaska, Alabama, Georgia, Louisiana, Texas, and West Virginia have created Offices within their Governor's Offices focused on ADA compliance. Many states also have a citizen advisory committee on the ADA, Colorado had the Council for People with Disabilities in a related role for over a decade until it ended with HB 20-1392.

Taking a similar, coordinated approach with a central hub to agencies would result in more consistent application of the ADA and a central source of funding for reasonable accommodations. The centralized accommodation fund will cover physical accommodation requests for new and existing employees, members of the public, and other accessibility modifications.

The proposed solution includes:

1. **Create a State ADA Coordinator Position in the Office of EDI at DPA.** Hiring a state ADA Coordinator within an EDI Office at DPA, who is a foremost expert on the ADA and familiar with case law, would result in better guidance to agencies and a more consistent approval process for reasonable accommodation requests. Housing this position in DPA where State Human Resources is housed and the Office of State Architect is housed aligns with the two biggest areas of ADA impact.

   This position would be responsible for creating guidance and training for agency Title I and Title II ADA Coordinators, approving agency reasonable accommodation policies and requests, hosting quarterly meetings with agency Coordinators, advising agency Coordinators when they have questions, collaborating with the Attorney General's Office, and administering the centralized accommodation fund.

   Fund a centralized accommodation fund for all agency accommodations. Creating a central appropriation for both Title I and Title II reasonable accommodations. Based on a 2020 survey of agency ADA Coordinators, $500,000 was determined to be an adequate amount for ADA accommodations. Utilization of this fund will vary greatly from year to year and from various agencies based on the requests they receive. Roll-forward authority is needed as demand is anticipated to vary.
   This request is considered a level 1 on the evidence continuum.

Theory of Change	The request would create a centralized hub to agencies that would result in a more consistent application of the ADA for Coloradans.
Program Objective	Provide Coloradans and state agencies with guidance and consistency in the application of ADA.
Outputs being measured	Number of reasonable accommodations requested and made.
Outcomes being measured	Agency feedback on the consistency of the application of the ADA across agencies and programs.
Cost/Benefit ratio	

Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	Review of the consistency of the application of ADA and number of accommodations	N/A	N/A
Continuum Level	Level 1		

Anticipated Outcomes

The anticipated outcome of creating a centralized hub to agencies includes ensuring EDI with respect to making reasonable accommodations by creating better guidance to agencies and a more consistent approval process for reasonable accommodation requests. Outcomes will be measured by requesting feedback from agencies on the consistency of the application of ADA within their programs.

Assumptions and Calculations

The following personnel and operating expense calculations were used for this request.

	Class Code	Class 6 Code	Pay Grade	Minimum	Q2	Range	Q4	Maximum
PROGRAM COORDINATOR	H1A1	H1A1XX	H19	$4,370	$4,876	$5,383	$5,889	$6,395
PROGRAM MANAGEMENT I	H1A2	H1A2XX	H33	$6,792	$7,668	$8,544	$9,420	$10,296
PROGRAM MANAGEMENT II	H1A3	H1A3XX	H35	$7,368	$8,319	$9,270	$10,221	$11,172
PROGRAM MANAGEMENT III	H1A4	H1A4XX	H37	$7,795	$9,005	$10,214	$11,424	$12,633

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture ($5,000).

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time staff.

Expenditure Detail			FY 2022-23		FY 2023-24	
Personal Services:						
Classification Title	Biweekly Salary		FTE		FTE	
PROGRAM COORDINATOR	$2,438		1.0	63,388.00	1.0	63,388.00
PERA				6,909.00		6,909.00
AED				3,169.00		3,169.00
SAED				3,169.00		3,169.00
Medicare				919.00		919.00
STD				101.00		101.00
Health-Life-Dental				10,042.00		10,042.00
Subtotal Position 1, #.# FTE			**1.0**	**87,697.00**	**1.0**	**87,697.00**
Subtotal Personal Services			1.0	**87,697.00**	1.0	**87,697.00**
Operating Expenses:						
			FTE		FTE	
Regular FTE Operating Expenses	$500		1.0	500.00	1.0	500.00
Telephone Expenses	$450		1.0	450.00	1.0	450.00
PC, One-Time	$2,000		1.0	2,000.00	0.0	0.00
Office Furniture, One-Time	$5,000		1.0	5,000.00	0.0	0.00
Indirect Costs, if applicable				0.00		0.00
Leased Space, if applicable	$6,600			0.00		0.00
Other						
Other						
Subtotal Operating Expenses				**7,950.00**		**950.00**
TOTAL REQUEST			1.0	**95,647.00**	1.0	**88,647.00**
		General funds:		*0.00*		*0.00*
		Cash funds:		*0.00*		*0.00*
		Reappropriated Funds:		*0.00*		*0.00*
		Federal funds:		*0.00*		*0.00*

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-06 HB 21-1274 Underutilized Property

Dept. Approval By: Cammon Bellamy 10/26/2021

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:33:02 -06'00'

____	**Supplemental FY 2021-22**
____	**Budget Amendment FY 2022-23**
X	**Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$1,182,794**	**$0**	**$1,241,844**	**$400,000**	**$400,000**
	FTE	10.7	0.0	11.0	0.0	0.0
	GF	$1,182,794	$0	$1,241,844	$0	$0
	CF	$0	$0	$0	$400,000	$400,000
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (B) Statewide Special Purpose, (2) Office of the State Architect - Office of the State Architect	**Total**	**$1,182,794**	**$0**	**$1,241,844**	**$400,000**	**$400,000**
	FTE	10.7	0.0	11.0	0.0	0.0
	GF	$1,182,794	$0	$1,241,844	$0	$0
	CF	$0	$0	$0	$400,000	$400,000
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Personnel & Administration

FY 2022-23 Funding Request

November 1, 2021

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-06
Request Detail: Underutilized Property

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$0	$400,000	$400,000
FTE	0.0	0.0	0.0
General Fund	$0	$0	$0
Cash Funds	$0	$400,000	$400,000
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (the Department or DPA) requests $400,000 in ongoing Cash Funds spending authority in the (1) Executive Director's Office, (B) Statewide Special Purpose, (2) Office of the State Architect (OSA) program line item in FY 2022-23 and ongoing.

During the 2021 legislative session, the General Assembly passed HB 21-1274 which requires the Department, through the Office of the State Architect (OSA), create and maintain an inventory of unused state-owned real properties to determine if they could be converted into certain types of facilities such as affordable housing or public schools. As noted in the fiscal note, assessments cost about $400,000 per project. This is an ongoing request for FY 2022-23 and after.

Current Program

The Office of the State Architect plans for statewide capital construction and controlled maintenance, maintenance requests, as well as manages leasing statewide. HB 21-1274 dedicates resources to convert unused properties and brings a new addition to the responsibilities of OSA.

Problem or Opportunity

HB 21-1274 requires that the Department create and maintain an inventory of unused state-owned real properties. The Department, through its OSA program, will analyze unused state-owned real properties to determine if they can be used for affordable housing, child care facilities, public schools, residential mental and behavioral health care facilities, renewable energy production facilities, or otherwise sold.

Additionally, the bill created the Unused State-owned Real Property cash fund that will collect all proceeds from the sale, rent, or lease of unused state-owned real property, from any state agency, except the Division of Parks and Wildlife in the Department of Natural Resources, the State Board of Land Commissioners, and any state institution of Higher Education. The funds are subject to appropriation to the Department for the activities associated with property evaluation and assessment. As there was no funding transferred to the fund as a “seed” for this activity, nor was there an appropriation for cash funds granted with the passage of the bill, the Department lacks the ability to proceed with the directives and allowances of the bill even when revenue is generated through the sale, rental, or lease of unused state-owned real property.

Assessing the feasibility of using state-own real properties for beneficial, non-state use has a cost that cannot be covered with the Department’s current resources. Therefore, the Department needs spending authority to engage in these types of projects once revenue is generated.

Proposed Solution

The Department is requesting $400,000 in Cash Funds spending authority in FY 2022-23 and ongoing from the Unused State-owned Real Property cash fund to assess the feasibility of one conversion project per fiscal year. The request constitutes an “empty” request in that no expenditure against this spending authority can be recorded without first earning revenue into this fund.

As each project will require a different mix of services, the Department provided a baseline estimate of the average cost of assessing properties for different types of uses. This baseline estimate of $400,000 per project is consistent with the fiscal note published by Legislative Council. In general, the Department believes the costs will break into the following broad categories:

Reviews and analyses categories	Cost estimate
Property Appraisals	$15,000
Survey/Platting	$30,000
Environmental Assessments (Level I & II)	$350,000
Marketing/Advertising/Other Due Diligence	$5,000
Total	**$400,000**

If this request is not approved, the Department will not be able to review the feasibility of using state-owned real property for affordable housing, child care facilities, public schools, residential mental and behavioral health care facilities, or renewable energy production facilities.

This request is considered a level one on the evidence continuum as shown in the table below.

Theory of Change	This request would allow for the creation and maintenance of an inventory of unused state property.		
Program Objective	Maintain an inventory of unused state-owned real properties to determine if they could be converted and used as another type of facilities.		
Outputs being measured	None currently.		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Level 1		

Anticipated Outcomes

Granting the $400,000 spending authority requested will allow the Department to assess one project per year and therefore fulfill the requirements and allowances outlined by HB 21-1274. This request represents the first step in accomplishing the stated intent of HB 21-1274, which is to "…conduct a review of state-owned real property that is not presently used for state purposes and to transparently enter into agreements to construct affordable housing, child care facilities, public school facilities, residential mental and behavioral health care facilities, or renewable energy production facilities…"

Assumptions and Calculations

With its current staffing, OSA will be able to review one project per year. The cost of $400,000 is an estimate that will vary depending on the type of project, and could include the following necessary reviews and analyses:

- real estate and development, including:
  - environment impact study;
  - appraisal;
  - building and land assessments;
  - market analysis to determine the highest best use;
- legal structure that includes title review and survey;
- financial: cost analysis and land development feasibility (develop and sell versus develop and hold);
- professional services such as:
  - traffic and zoning studies;
  - geotechnical, mining and noise reports;
  - storm water analysis.

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-07 CCLS Svc Contract Increase/State Capitol Fire System

Dept. Approval By: Cammon Bellamy 10/26/2021 ____ **Supplemental FY 2021-22**

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:33:39 -06'00' ____ **Budget Amendment FY 2022-23**

X **Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$2,793,370**	**$0**	**$2,776,881**	**$245,528**	**$300,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$87,914	$0	$71,425	$0	$0
	CF	$0	$0	$0	$245,528	$0
	RF	$2,705,456	$0	$2,705,456	$0	$300,000
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
07. Division of Capital Assets, (B) Facilities Maintenance - Capitol Complex, (1) Facilities Maintenance - Capitol Complex - Operating Expenses	**Total**	**$2,793,370**	**$0**	**$2,776,881**	**$245,528**	**$300,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$87,914	$0	$71,425	$0	$0
	CF	$0	$0	$0	$245,528	$0
	RF	$2,705,456	$0	$2,705,456	$0	$300,000
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Personnel & Administration

FY 2022-23 Funding Request

November 1, 2021

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-07
Request Detail: CCLS Service Contract Increase and State Capitol Fire System Testing

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$2,793,370	$245,528	$300,000
FTE	0.0	0.0	0.0
General Fund	$87,914	$0	$0
Cash Funds	$0	$245,528	$0
Reappropriated Funds	$2,705,456	$0	$300,000
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (DPA or the Department) requests $245,528 in cash fund spending authority in FY 2022-23 from the fund balance of the Department of Personnel Revolving Fund in the (7) Division of Capitol Assets (B) Facilities Maintenance – Capitol Complex, Operating Expenses line item. For FY 2023-24, the Department also requests out-year funding of $300,000 in reappropriated funds; $400,000 in reappropriated funds in FY 2024-25, and $500,000 in reappropriated funds for FY 2025-26 and ongoing. Reappropriated funds will be allocated through the Capitol Complex Leased Space (CCLS) common policy and expended from the same line item. The FY 2022-23 requested change represents an 8.8 percent increase from the FY 2021-22 appropriation.

The total request encompasses two components, which are:

1. A requested base adjustment of $200,000 in the request year (Cash Funds), and an additional $100,000 in reappropriated funds for each following year until FY 2025-26 to address service contract increases and new maintenance projects.; and,

2. An increase of $45,528 one-time Cash Funds for State Capitol Fire System Testing. The Denver Fire Department (DFD) requires a 100$ test of all fire alarm devices in the Colorado State Capitol as a part of the Joint Library remodel project.

Current Program

The Capitol Complex facilities encompass approximately 1.3 million square feet. Facilities management includes housekeeping, grounds maintenance, and property management functions for the Capitol Complex adjacent to the State Capitol Building, 1881 Pierce Street, the Kipling Campus, and North Campus as well as other facilities in Grand Junction and Camp George West.

The Facilities Maintenance – Capitol Complex, Operating Expenses line item provides funding for payments to the Department to manage the Capitol Complex. Agencies are allocated a portion of the total management cost realized by the Department based on occupied square feet per campus, pursuant to Section 24-30-1108, C.R.S, the Department is only permitted to charge “the full cost of the particular service, which shall include the cost of all material, labor, and overhead.” Therefore, the Department must recover funding from the agencies occupying Capitol Complex space.

CCLS allocations are determined by aggregating the costs associated with maintaining the program to an allocable pool, then splitting the allocable pool among all user agencies. 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 the allocable pool by the total number of square feet. Next, the Department distributes the total cost among each state agency based on the square feet each agency occupies at each campus. The FY 2021-22 appropriation for the (7) Division of Capitol Assets (B) Facilities Maintenance – Capitol Complex, Operating Expenses line item is $2,783,370.

Problem or Opportunity

Due to the anticipated significant maintenance contract increases as well as a number of new maintenance projects, including a fire system test at the Capitol, the Capital Complex program needs additional funding.

Safety and Infrastructure Needs

The Department requested and received approval to fund a base adjustment of $500,000 in Fiscal Year 2013-14 to address critical safety and infrastructure needs within Capitol Complex buildings. The adjustment eased the immediate strain on the line item and allowed Capitol Complex to meet its objectives of maintaining safe state buildings. However, the funding level has remained static for nearly a decade. In the nine years since the last request, the cost of needed service and commodity contracts associated with safety, infrastructure, and maintenance have continued to grow with inflation, and now outpace the program’s spending authority.

The pressure on the operating expenses line item is expected to continue in the form of projected escalations of contract costs that will continue into the future. Several services and commodities are due to be re-bid in upcoming years, including:

- Heat exchanger maintenance,
- Chiller maintenance,
- Energy Management System maintenance,
- Air compressor maintenance,
- Boiler maintenance,
- Elevator maintenance,
- Garage maintenance,
- Custodial services,
- Snow removal,
- Tree care,
- Carpet cleaning,
- Waste disposal and recycling,
- Snow removal,
- Landscape services,
- Vegetation control

The expenses associated with each contract item include an estimated 6-10 percent increase that cannot be absorbed. Over the next few fiscal years, an incremental increase of $465,298 in contract costs is projected, or $2,695,525 compared to the FY 2021-22 expenditure estimate of $2,231,227.

However, the operating line item does not only pay for such contract costs. In addition to regular contracts, funds for a wide variety of repairs, replacements, and other types of maintenance are expended from the same line item. The inevitable escalation of contract costs due to be re-bid are expected to effectively crowd out the ability to pay for the majority of other planned annual costs and urgent or emergency needs that arise each year.

The types of projects in FY 2020-21 included:

- Tower repair,
- Chiller repair,
- Hardscape repair,
- Ground source heat pump system,
- Fire and life safety systems,
- Fire and life safety suppression,
- Filters and belts,
- Tree care,
- Exhaust fans for heat dissipation,
- Building sewer cleaning and maintenance,
- Building security system repairs,
- Domestic water pump stations,
- Boiler maintenance

Expenditures for these items totaled $1,173,229 in FY 2020-21. Over the next few fiscal years, contract costs alone are projected to total $2,695,525. This would leave only $87,845, or 3.2 percent, of the $2,783,370 funding need for these other types of projects (utilizing the Fiscal Year 2021-22 appropriation of $2,783,370 minus $2,695,525 estimated in contract needs). This does not account for anticipated future inflationary increases that can reasonably be expected with these types of repair and maintenance projects, similar to contract items.

State Capitol Fire System Testing

On March 15, 2021, Capitol Complex Facilities received a request from Legislative Council that Capitol Complex directly perform the 100% test of fire alarm devices due to the Colorado Legislature's Joint Library remodel and fire alarm changes. Functional fire alarms are mandatory to comply with fire safety codes, which protect human life, property, and thereby the State from liability.

Capitol Complex staff are qualified to perform the test after updating its DFD fire system maintenance licensing; however, Capitol Complex does not currently have the staffing available to perform this test due to an overload of current duties. Contracted services are the only available alternative to address this need.

Proposed Solution

Safety and Infrastructure Needs

In order to maintain a safe working environment and the aesthetic appearance and functionality of the State's buildings, the Department requests $200,000 in one-time cash fund spending authority from fund balance in FY 2022-23, as well as escalating reappropriated funds in out-years ($300,000 in FY 2023-24, $400,000 in FY 2024-25, and $500,000 in FY 2025-26 and ongoing). Reappropriated funds are requested for the CCLS common policy allocations so that Capitol Complex Facilities may continue to address the number of maintenance and safety needs identified within its facilities. Within the next three years, every building needs improvement and/or replacement of a major component.

The Department is concerned that not being able to meet ongoing contractual needs as a result of rising costs could cause state buildings and campuses to pose unnecessary risks to Coloradans and the state's workforce. In the past, the State has had workers' compensation claims filed by employees working in capitol complex facilities with poorly maintained floor coverings. The potential failure of an HVAC component can cause a significant disruption in work if it occurs during an extreme weather event. Similarly, the inability to make ADA repairs and protect electrical and IT systems poses both property and human risks.

It is a common private sector practice to include a charge in rent and lease payments to make these types of maintenance repairs on existing structures. In addition to increasing risk to property and human safety, the deferral of maintenance often results in more costly break/fix repairs. A base increase will allow the Department to meet its obligation to protect State property as well as the health and safety of building occupants in the most cost-effective way possible.

State Capitol Fire System Testing

The Department also requests an additional $45,548 in one-time cash fund spending authority in order to comply with DFD Department fire alarm testing. From communications with DFD regarding the Colorado Legislature's Joint Library project fire alarm changes and testing requirement, it was determined that DFD requires a 100% test of all fire alarm devices in the Colorado State Capitol as a part of the Joint Library remodel project due to deletion of wall mounted graphic maps and the addition of electronic graphic maps of the Colorado State Capitol. DFD is willing to postpone the 100% testing until the Department can obtain the necessary funding to pay for the testing, provided the Department provides a definite deadline.

This request is a level one on the evidence continuum as shown below.

Theory of Change	State employee working environment and state building aesthetics		
Program Objective	Maintaining a safe working environment and the overall aesthetic of state buildings		
Outputs being measured	N/A		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Level 1		

Anticipated Outcomes

Safety and Infrastructure Needs

If approved, a base increase will allow the State to mitigate the risk of claims against it due to failing safety components and/or minor to severe disruptions in work due to conditions created in its buildings by failing components. Claims can adversely affect State employees as well as citizens of the State. Depending upon the severity of the incident or incidents, the cost to settle these claims may far exceed the cost to upgrade, repair, or replace these components. This solution allows the State to maintain a safe working environment for its employees as well as maintain safe buildings for the citizens to the extent that they are required to use State buildings.

The Department believes an ongoing base appropriation adjustment is the ideal solution because it defrays the cost of upgrade, repair, or replacement over a number of years, aligns with the resources the Department has to manage this process, and allows for an ongoing appropriation to address concerns as they arise as well as planned maintenance. The alternative to this solution, which is the reduction or denial of the requested level of funding, would not allow the Department to address the needs of the State and its buildings in a timely manner. This may lead to additional losses to the State due to emergency repairs and replacements, as well as the possible unpolished appearance of the State's grounds.

State Capitol Fire System Testing

Completion of the fire system testing is of critical importance. The most crucial reason to have functional fire alarms is to protect the lives of employees and the public. Fire alarms also reduce property loss by notifying emergency responders to dispatch without delay, shortening recovery time and disruption to state business. Functional fire alarms are necessary to comply with insurance claim requirements and fire safety codes, which similarly reduce exposure to liability and fines.

The denial of the requested funding would result in the Department's non-compliance with Denver fire codes and insurance requirements as a result of not completing fire system testing, risking both the safety of building occupants, and property. Postponing is not a viable alternative either, as the DFD has only allowed a delay thus far under the condition that the Department move to secure funding along with a firm start date.

Assumptions and Calculations

Table 1 summarizes the impact of 1) the Capitol Complex increased cost of contracts and 2) the State Capitol fire system testing to the (7) Division of Capitol Assets (B) Facilities Maintenance – Capitol Complex, Operating Expenses line item, by fund source and fiscal year.

Table 1 - (7) Division of Capitol Assets (B) Facilities Maintenance - Capitol Complex, Operating Expenses				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 & Ongoing
1) Safety & Infrastructure Needs - Capitol Complex Increased Costs of Contracts				
Cash Funds	$200,000			
Reappropriated Funds		$300,000	$400,000	$500,000
2) State Capitol Fire System Testing				
Cash Funds	$45,528			
TOTAL	**$245,528**	**$300,000**	**$400,000**	**$500,000**

Table 2 shows the estimated incremental increase of various services and commodities expected to affect the Operating Expenses line item over the next several years, including the one-time expense associated with the State Capitol fire system testing. Because contracts are re-bid on a rolling cycle spanning multiple years, the projected incremental increase is an estimate. A contingency of $35,701 has been included to account for greater than anticipated increases as well as new, unforeseen needs for contracts. The total represents the annual escalation of costs expected to gradually build, and forms the basis for a final ongoing requested appropriation of $500,000. Table 3 shows capitol complex non-contractual operating expense.

Table 2 - Incremental Increase of Services/Commodities in Capitol Complex Facilities Maintenance, Operating Expenses				
Description of service/commodity	**Current Annual Cost**	**Due for Bid**	**Estimated Future Cost**	**Incremental Increase**
1. Safety & Infrastructure Needs - Increased Contract Costs [a]				
Clean flat plate heat exchangers in five (5) Capitol Complex buildings for FY 22 through FY 26	$71,950	FY22	$76,267	$4,317
Chiller maintenance for 5 Capitol Complex buildings for FY 22 through FY 26	$20,000	FY22	$21,200	$1,200

Generator maintenance for 7 Capitol Complex buildings for FY 22 through FY 26	$18,600	FY22	$19,716	$1,116
Air compressor maintenance in 8 Capitol Complex buildings for FY 22 through FY 26	$5,700	FY22	$6,042	$342
Boiler maintenance in 6 Capitol Complex buildings for FY 22 through FY 26	$9,500	FY22	$10,070	$570
Elevator maintenance for 13 Capitol Complex, Denver /Lakewood buildings for FY 22 through FY 26	$230,000	FY22	$230,000	$0
Garage maintenance and repair	$57,447	FY22	$63,192	$5,745
Custodial services for CCF buildings North and South	$723,930	FY22	$1,020,000	$296,070
Snow removal	$155,190	FY23	$170,709	$15,519
Tree care	$65,000	FY23	$71,500	$6,500
Carpet cleaning services	$53,605	FY23	$58,966	$5,361
Waste disposal and recycling	$78,282	FY23	$86,110	$7,828
Snow removal, landscape services (1)	$97,290	FY24	$107,019	$9,729
Snow removal, landscape services (2)	$326,641	FY24	$359,305	$32,664
Vegetation control services	$16,800	FY24	$18,480	$1,680
Freezgard/Ice melt	$6,210	FY24	$6,831	$621
Vegetation control services	$40,170	FY24	$44,187	$4,017
Custodial services for Grand Junction	$82,945	FY24	$91,240	$8,295
Energy Management System maintenance	$25,347	FY25	$27,882	$2,535
Computer Maintenance Management for web-based work order/inventory system	$33,000	FY25	$36,300	$3,300
Water treatment services	$113,620	FY29	$124,982	$11,362
2. State Capitol Fire System Testing [b]	$0	FY21	$45,528	$45,528
Sub-totals	**$2,231,227**		**$2,695,526**	**$464,299**
Contingency for unforeseen contract needs				$35,701
GRAND TOTAL				**$500,000**

[a] From the Capitol Complex Facilities calendar of ongoing services/commodities and associated re-bid dates.
[b] Quote from general contractor regarding the 100% pre-test and full building alarm inspection, January 13, 2021.

Table 3 - FY 2020-21 Estimated Expenditures for Other Non-Contractual Needs in Capitol Complex Facilities Maintenance, Operating Expenses			
Building	**Project**	**Estimated Amount ***	**Comments**
State Office Building	Tower Repair	$60,000	Ancillary support for secondary chiller for entire complex
State Office Building	Chiller Repair	$300,000	Secondary chiller for entire Capitol Complex & energy savings during transitional seasons
Complex Wide	Hardscape Repair	$50,000	To repair broken concrete and meet Denver and ADA requirements. Ongoing costs.
1570 Grant	Chiller Repair	$200,000	Main cooling system for building
Capitol	Ground Source Heat Pump System	$250,000	Primary cooling for the Capitol. Heat pumps, well maintenance, annual start-ups
Complex Wide	Fire and Life Safety Systems	$50,000	Per year
Complex Wide	Filters and Belts	$20,000	Average per year for HVAC systems
Complex Wide	Tree Care	$55,000	Trimming, replacement, removal to meet Denver code
Utility Tunnels	Exhaust Fans for Heat Dissipation	$66,716	Main utility tunnel with all electrical, IT, chilled & domestic water, and steam. Failure to remove heat from the tunnels would ultimately result in critical systems failures complex wide.
Complex Wide	Building Sewer Cleaning & Maintenance	$50,000	Annual cleaning of all building sewer systems from top of building to main sewer. Failure to do so could result in loss of building use.
Complex Wide	Life Safety and Fire Suppression	$20,000	Per year
Complex Wide	Building Security System Repairs	$22,690	Per year

Complex Wide	Domestic Water Pump Stations	$19,923	Per year
Complex Wide	Boiler Maintenance	$8,900	Per year
	Total	**$1,173,229**	

* As of July 1, 2021; recorded by Capitol Complex Facilities - usage to date in FY 2020-21 or average annual.

Table 4 shows fund balance estimates by fiscal year..

Table 4 - Department of Personnel Revolving Fund Balance				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
*Beginning Fund Balance	$2,979,716	$2,808,840	$2,355,449	$1,417,458
*Excludes $1.6M in Outlay Reserves				

Safety and Infrastructure Needs

Table 5 demonstrates the high proportion of the Operating Expenses line item that service contract increases are projected to amount to in the request year and beyond, leaving very little for non-contract costs.

Table 5 - Funds Remaining for Non-Contract Needs after Contract Needs are Met	
FY 2022-23 Base Request	$2,783,370
Contract Costs of Re-Bids Escalating on Staggered Basis through FY 2024-25	($2,695,525)
Remaining for Non-Contract Items	$87,845
Estimated Non-Contract Costs Before Inflation	$1,173,229
Estimated Deficit for Non-Contract Costs Before Inflation	($1,085,384)

For FY 2022-23, the requested $200,000 would be paid from existing fund balance, but in all out-years these expenses will be allocated through common policy. The Department will make adjustments to its appropriations starting in FY 2023-24 and ongoing, utilizing the common policy base adjustment methodology. Further, the Department will allocate expenses for these contracts to the user agencies using the same common policy methodology as has been traditionally utilized.

If this request is approved, the increase to expenses will be allocated to departments through the FY 2023-24 common policy allocation process, with an estimated General Fund impact of $153,000 when applying the FY 2021-22 CCLS common policy fund splits. Table 6 shows the General Fund impact for the three fiscal years after FY 2022-23 in which fund balance is proposed to be spent.

Table 6 - Percentage and Dollar Impact of Increased Contract Costs by Fiscal Year

Fiscal Year	**GF**	**CF**	**RF**	**FF**	**Total**
	51%	14%	28%	7%	**100%**
FY 2023-24	153,000	42,000	84,000	21,000	**$300,000**
FY 2024-25	204,000	56,000	112,000	28,000	**$400,000**
FY 2025-26	255,000	70,000	140,000	35,000	**$500,000**

State Capitol Fire System Testing

The contractor for the Colorado Legislature's Joint Library remodel project has obtained a price of $32,298 if the required testing were to be performed immediately. Accounting for a delay in testing between the receipt of a quote in FY 2020-21 and obtaining long bill spending authority for FY 2022-23, an increase of 10 percent would result in an additional $3,230, for a cost of $35,528. Furthermore, the pre-test portion of the testing is expected to cost an additional $10,000 to address any errors or shortcomings revealed by the 100% test. The total cost would be $45,528. This amount would be from fund balance and therefore is not necessary to allocate to CCLS user agencies. Table 7 provides a cost breakdown of the fire system testing cost.

Table 7 - FY 2022-23 State Capitol Fire System Testing Costs	
State Capitol Fire System Testing Component	Cost
FY 2020-21 contractor estimate	$32,298
10% escalation for delay in testing	$3,230
Resolution of any errors or shortcomings found	$10,000
GRAND TOTAL	**$45,528**

Supplemental, 1331 Supplemental or Budget Amendment Criteria

N/A

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-08 Integrated Document Solutions Infrastructure Refresh

Dept. Approval By: Cammon Bellamy 10/26/2021

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:33:59 -06'00'

___	**Supplemental FY 2021-22**
___	**Budget Amendment FY 2022-23**
X	**Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$18,658,891**	**$0**	**$18,733,645**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$980,537	$0	$980,537	$0	$0
	RF	$17,678,354	$0	$17,753,108	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
04. Central Services, (B) Integrated Document Solutions, (1) Integrated Document Solutions - Operating Expenses	**Total**	**$18,658,891**	**$0**	**$18,733,645**	**($100,000)**	**($151,776)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$980,537	$0	$980,537	$0	$0
	RF	$17,678,354	$0	$17,753,108	($100,000)	($151,776)
	FF	$0	$0	$0	$0	$0
04. Central Services, (B) Integrated Document Solutions, (1) Integrated Document Solutions - Scan Equipment Lease Purchase	**Total**	**$0**	**$0**	**$0**	**$100,000**	**$151,776**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$100,000	$151,776
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-08
Request Detail: Integrated Document Solutions Infrastructure Refresh

Summary of Funding Change for FY 2022-23				
	Totals		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Base	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$18,554,067	$18,554,067	$0	$0
FTE	0.0	0.0	0.0	0.0
General Fund	$0	$0	$0	$0
Cash Funds	$980,537	$980,537	$0	$0
Reappropriated Funds	$17,573,530	$17,573,530	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (DPA or the Department) requests a new and temporary line item titled (4) Central Services (B) Integrated Document Solutions, Scan Equipment Lease Purchase to fund a capital lease purchase for new high-speed scanners to replace the current equipment, which will no longer be supported or repaired by the manufacturer. Approving this request will allow Integrated Document Solutions (IDS) to meet the scanning needs of its current and future customers. This request transfers spending authority between line items and therefore is budget neutral. Initial spending authority of $100,000 reappropriated funds for the new long bill line item in FY 2022-23 is requested to be transferred from the current (4) Central Services (B) Integrated Document Solutions, Operating Expenses line item. The amount annualizes to $151,776 in FY 2023-24 and ongoing. Capital leases with lifetime costs over $500,000 require legislative approval pursuant to Section 24-82-801, C.R.S.. The amount of transferred spending authority will remain in the new line item until the lease purchase is complete and will then be returned to the Operating Expenses line item.

Current Program:

The Division of Central Services (DCS) provides a diverse set of services that include legal substitute address and confidential mail forwarding services for survivors of domestic violence; design, imaging, mail, delivery, and print management services; and managing, collecting, preserving, and providing access to state and local government records. Within DCS, the Document Solutions Group (DSG) is a subdivision of IDS that serves the scanning and document-related needs of State agencies. DSG has two major customers, the Department of Revenue (DOR) and Secretary of State (SOS), in addition to several smaller customers with short-term or one-time business needs.

In the DOR Tax Processing Performance Audit issued September 2011, the state Auditors recommended that DOR and DPA streamline the tax document processing and remittance procedures. A project team consisting of front-line staff from both departments was established to evaluate the current processes, identify inefficiencies, and recommend solutions. The team worked together to identify duplicative tasks performed by both departments and to identify interim and future process changes that could eliminate those tasks.

The DOR and DPA engaged in the development and implementation of the Pipeline process over multiple fiscal years, with the project becoming operational in FY 2014-15. The implementation included optimized scanning equipment, specifically two high-speed scanners and one desktop scanner. Due to the high speed and volume capacity of these machines, the equipment is now utilized for processing all non-Tax Pipeline document imaging for IDS's customers and has allowed IDS to sunset all of its mid-range scanning equipment. From April 2020 to March 2021, IDS scanned 18,915,423 images for all customers. The table below shows the largest IDS document imaging customers:

Table 1. Largest Scan Customers

Department	Agency	Document Types	Total Scans
DOR	Taxation	Tax Pipeline	14,738,868
	Human Resources	Personnel Files	351,368
	Auto Industry	Investigations, Licensing	189,737
CDHS	Youth Corrections	Closed Youth Offender Files	716,793
	Office of Behavioral Health	Patient Files	149,711
	Youth Corrections	Closed Youth Facility Files	32,274
CDPHE	Accounting	Accounting, Administration Contracts	566,171
	Human Resources	Personnel Files	166,980
DOC	Accounts Payable	Medical Records	520,739
SOS	Petitions	Candidate and Initiative	482,736
CDLE	Workers' Compensation	Claims	445,277
DOLA	Property Taxation	Exempt Property Files	64,590

Problem or Opportunity:

In January 2021, IDS was notified that their current imaging equipment was at end of life and that the company had ceased manufacturing of the equipment, including any replacement parts for repairs and maintenance. The current maintenance on the equipment will only be available to IDS through June 30, 2022. Due to the criticality of the documents processed using these scanners, operating on this kind of maintenance plan is too high risk and the Department determined that the equipment must be replaced.

Proposed Solution:

The Department requests a new and temporary line item titled (4) Central Services (B) Integrated Document Solutions, Scan Equipment Lease Purchase to fund a capital lease for new high-speed scanners to replace the current equipment which will no longer be supported or repaired by the manufacturer. This request transfers spending authority between line items and therefore is budget neutral. Initial spending authority of $100,000 reappropriated funds for the new long bill line item in FY 2022-23 is requested to be transferred from the current (4) Central Services (B) Integrated Document Solutions, Operating Expenses line item. The amount in this line annualizes to $151,776 in FY 2023-24 and ongoing. Capital leases with lifetime costs over $500,000 require legislative approval pursuant to Section 24-82-801, C.R.S. The amount of transferred spending authority will remain in the new line item until the lease purchase is complete and will then be returned to the Operating Expenses line item.

Replacement of these scanners will allow for business continuity and take advantage of the newest imaging technologies. The proposed equipment for replacement includes two high-speed scanners and one desktop scanner. Table 2 below represents some of the improvements that will be achieved with new scanners:

Table 2. Upgrade Improvements

Feature	Current System Capability	New System Capability	Benefit
Base Track Speed	• 50 images per second (ips) at 300 dpi • 75 ips at 200 dpi	• 83 ips at 300 dpi • 125 ips at 200 dpi	• 10% faster throughput at Base Speed • 50% faster throughput at 300 dpi • 66% faster at 200 dpi
Transport Width	12”	13.5”	Feed and pocket larger documents
Multi-Feed Detection	Standard registration ultrasonic	Full Page-Width Ultrasonic Doubles Detection	Envelope detection, faster double detection and double clearance allowing for less issues at the scanner level and downstream in the system

Airflow	Single Path	Dual Path	Separate cooling airflow for electronics keeps subsystems cleaner for less maintenance which ensures greater equipment uptimes
Camera	60 megapixel/s	100 megapixel/s	Higher speed, improved dynamic range and accuracy
Maximum Field of View	11.9”	12.9”	Capture larger documents and more resistant to document skew which reduces jams and rescans
Server Host Operating System	Windows Server 2008 R2 64-bit	Windows 10 Pro 64bit	Latest OS with 64-bit processing

In order to acquire the new equipment, the Department plans to secure third-party funding at an interest rate of 3.99% to cover the capital purchase of $686,920. The plan is to seek a 60-month note to keep the payments close to $12,648 per month or $151,776 annually, which is in the current IDS budget. This spending authority can be moved into the requested new line item dedicated for this purpose.

There is no alternate solution for this equipment refresh as the current equipment will no longer be supported or be able to be repaired. A replacement must be secured in order to continue to deliver scans for the State’s customer base. If the Department’s request is not approved, IDS and DSG will not be able to scan any large volume transactional print jobs after the current machinery reaches its end of life or needs repairs, and large volume scan customers such as DOR and SOS and will either fail to meet statutory/compliance requirements or will need to search for another scanning source at potentially higher costs. This machinery processes sales and income tax documents on a monthly basis. If this machinery fails and cannot be brought back into service, the State’s General Fund revenue will be adversely impacted. Legislative approval is needed due to procedural changes for capital leases for equipment exceeding the $500,000 threshold and the need for the creation of a new line item for the lease.

This request falls under level 2 of the evidence continuum as shown in the table below.

Theory of Change	This request would meet current and future scanning needs by replacing current scan equipment
Program Objective	Provide safe, secure, and efficient scanning services for state agencies.
Outputs being measured	Total scans completed

Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Level 2		

Anticipated Outcomes:

If the Department's request to create a new temporary line item to house the spending authority for the new scanning equipment and the transfer of spending authority from the IDS Operating Expenses line item is approved, IDS and DSG will be able to continue meeting the scanning needs of its current and future customers. These customers will receive timely, higher quality scan products and DSG will experience expanded capacity and lower costs for its customers.

Assumptions and Calculations:

The Department plans for the spending authority for the new lease to be transferred from the IDS Operating Expenses line item to the new, temporary Scan Equipment Lease Purchase line item.

In order to acquire the new equipment, the Department plans to secure third-party funding at an interest rate of 3.99% to cover the capital purchase of $686,920. The plan is to seek a 60-month note to keep the payments close to $12,648 per month or $151,776 annually, which is in the current IDS budget. This spending authority can be moved into the requested new line item dedicated for this purpose. Table 3 demonstrates the budget neutral impact of the Department's request.

Table 3. Lease Term Spending Authority Transfer

	FY 2022-23	**FY 2023-24**
IDS Operating Expenses	$ (100,000)	$ (151,776)
IDS Scan Equipment Lease Purchase	$ 100,000	$ 151,776
Net Budget Impact	**$ -**	**$ -**

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

None.

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-09 Annual Fleet Vehicle Request

Dept. Approval By: Cammon Bellamy 10/26/2021

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:34:16 -06'00'

____	**Supplemental FY 2021-22**
____	**Budget Amendment FY 2022-23**
X	**Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$25,911,978**	**$0**	**$25,911,978**	**$839,357**	**$839,357**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$25,911,978	$0	$25,911,978	$839,357	$839,357
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
07. Division of Capital Assets, (C) Fleet Management Program and Motor Pool Services, (1) Fleet Management Program and Motor Pool Services - Vehicle Replacement Lease/Purchase	**Total**	**$25,911,978**	**$0**	**$25,911,978**	**$839,357**	**$839,357**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$25,911,978	$0	$25,911,978	$839,357	$839,357
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority:R-09
Request Detail: Annual Fleet Request

Summary of Funding Change for FY 2022-23			
		Incremental Change	
Annual Fleet Request - DPA	**FY 2021-22 Appropriation**	**FY 2022-23 Request**	**FY 2023-24 Request**
Total Funds	$25,829,508	$839,357	$839,357
FTE	0	0	0
General Fund	$0	$0	$0
Cash Funds	$0	$0	$0
Reappropriated Funds	$25,829,508	$839,357	$839,357
Federal Funds	$0	$0	$0

Summary of Funding Change for FY 2022-23			
Annual Fleet Request - Agency Appropriations		**Incremental Change**	
	FY 2021-22 Appropriation	**FY 2022-23 Request**	**FY 2023-24 Request**
Total Funds		$535,095	$535,095
FTE		0	0
General Fund		$149,034	$149,034
Cash Funds		$384,798	$384,798
Reappropriated Funds		($27,021)	($27,021)
Federal Funds		$28,284	$28,284

Summary of Request

This request is submitted on an annual basis through the combined efforts of State Fleet Management (SFM) of the Department of Personnel & Administration, the Office of State Planning and Budgeting (OSPB), and the State agencies that participate in the State Fleet Management Program. This request is for one year which is submitted in order for SFM to correctly align its appropriation with the expenditures associated with the vehicles delivered in a fiscal year.

Fleet replacements are necessary to control maintenance expenses, and to minimize health, life, and safety issues inherent to operating an older fleet – especially for emergency responders. For example, from FY 2009-10 to FY 2010-11, the cost per mile for maintenance decreased by 6.7 percent due to a large replacement cycle in FY 2009-10. From FY 2009-10 through FY 2010-11, a 56.0 percent decrease in fleet replacements resulted in a 12.0 percent increase in total maintenance costs in FY 2011-12. In addition, using established economic rationale for replacement decisions and consistent funding of reasonable levels of replacements is the most cost effective approach to fleet management. This approach will allow State Fleet Management to minimize future increases in vehicle maintenance and minimize the net impact to all fund sources.

The Department's original analysis identified 1,647 vehicles for replacement using the standard criteria. However, due to the limited personnel and physical resources (such as lot space) available to the State Fleet Management Program, the Department has revised the list to include 619, or the "worst of the worst" vehicles for FY 2022-23. Understanding the importance of the ongoing substantial energy goals, the Department has identified, within the "worst of the worst" replacement list, all vehicles that may be eligible for an Alternative Fuel Vehicle (AFV) replacement.

Current Program

The State Fleet Management Program (SFM) manages all aspects of a vehicle's life from the time of acquisition through disposal for the approximately 6,300 permanent vehicles within the State Fleet. This allows the agencies and programs that SFM supports to more effectively focus on their programs' missions. The SFM Program manages these vehicle assets for all State agencies, while gaining economies of scale and significant price reductions by aggregating purchasing opportunities and funding resources. The program facilitates all maintenance, repairs, fuel expense, and accident repairs and maintains a database with detailed history for each vehicle. Reporting on these data points is critical for decision makers when decisions are being made on investing in alternate fuel vehicles or expanding the fleet. Each year, vehicles in the State Fleet drive approximately 71 million miles and utilize 4.4 million gallons of fuel, and SFM currently relies on the fuel card to report fueling information and individual reporting of miles driven through a spreadsheet and a homegrown database.

Problem or Opportunity

On an annual basis, the Department submits a fleet replacement request to address the needs of individual state agencies across the State. The Department's State Fleet Management Program analyzes each vehicle on an annual basis to determine its replacement eligibility. This year, 1,647 vehicles were identified as potentially eligible. Due to budget and resource constraints, for FY 2022-23 the Department requests 619 critical need replacement vehicles.

Proposed Solution

The Department of Personnel & Administration requests 619 replacement vehicles for the State Fleet, including 278 potential AFVs: 25 Hybrid, 253 Electric, and 0 Compressed Natural Gas vehicles. To accomplish this, the Department will require an increase of $839,357 in reappropriated funds spending authority to its (7) Division of Capital Assets, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item. For individual State agencies, this request will require an increase of $534,118 in funding for the respective Vehicle Lease Payments appropriations, with an estimated $149,034 increase in General Fund in FY 2022-23. Replacing the 619 vehicles, in FY 2022-23, that are in need of the most upkeep will produce a projected maintenance and fuel savings of $1,708,595.

The following table shows the number of requested replacements and potential AFV vehicles by agency and vehicle type:

FY 2022-23 Summary of Requested Replacement Vehicles by Department

Department	Standard	Alternate Fuel Vehicles	Total
Agriculture	1	7	8
Corrections	13	38	51
Governor's Office	3	0	3
Education	0	0	0
Health	0	7	7
Higher Education	55	33	88
Human Services	8	6	14
Judicial	0	3	3
Law	0	0	0
Labor & Employment	3	9	12
Local Affairs	0	0	0
Military & Veterans Affairs	1	3	4
Natural Resources	69	43	112
Personnel	0	6	6
Public Safety	167	19	186
Regulatory Agencies	0	10	10
Revenue	0	26	26
Secretary of State	0	0	0
Transportation	21	68	89
Total	**341**	**278**	**619**

The following table shows the incremental appropriation increase or decrease by department.

FY 2022-23 Annual Fleet Request							
Department	FY 2020-21 Appropriation	Estimated FY 2021-22 Appropriation	Total Incremental	GF	CF	RF	FF
Agriculture	$ 415,955	$ 367,765	$ (48,190)	$ (19,269)	$ (28,230)	$ -	$ (691)
Corrections	$ 3,468,680	$ 3,622,464	$ 153,784	$ 132,460	$ 21,324	$ -	$ -
Education	$ 37,040	$ 36,302	$ (738)	$ (624)	$ -	$ (114)	$ -
Governor's Office	$ 155,092	$ 154,795	$ (297)	$ (58)	$ -	$ (239)	$ -
Human Services	$ 1,152,215	$ 1,204,543	$ 52,328	$ 26,423	$ -	$ 25,904	$ -
Judicial Branch	$ 263,866	$ 241,346	$ (22,520)	$ (22,520)	$ -	$ -	$ -
Labor And Employment	$ 191,751	$ 209,850	$ 18,099	$ 1,592	$ 7,357	$ 208	$ 8,942
Law (Attorney General's Office)	$ 78,456	$ 88,783	$ 10,327	$ 4,184	$ 2,416	$ 3,430	$ 297
Local Affairs	$ 113,942	$ 115,843	$ 1,901	$ 1,708	$ -	$ 193	$ -
Military and Veterans Affairs	$ 71,007	$ 81,399	$ 10,392	$ 4,427	$ -	$ -	$ 5,965
Natural Resources	$ 4,847,036	$ 4,947,187	$ 100,151	$ 7,622	$ 90,244	$ 894	$ 1,392
Personnel & Administration	$ 284,389	$ 208,201	$ (76,188)	$ -	$ -	$ (76,188)	$ -
Public Health and Environment	$ 386,751	$ 331,447	$ (55,304)	$ -	$ (50,299)	$ (5,005)	$ -
Public Safety	$ 10,202,489	$ 10,769,728	$ 567,239	$ 39,562	$ 492,379	$ 22,919	$ 12,379
Regulatory Agencies	$ 279,899	$ 276,795	$ (3,104)	$ -	$ (3,104)	$ -	$ -
Revenue	$ 838,511	$ 668,025	$ (170,486)	$ (26,473)	$ (144,013)	$ -	$ -
State	$ 12,443	$ 9,167	$ (3,276)	$ -	$ (3,276)	$ -	$ -
Total Appropriated	**$ 22,799,522**	**$ 23,333,640**	**$ 534,118**	**$ 149,034**	**$ 384,798**	**$ (27,998)**	**$ 28,284**

This request falls under level three on the evidence continuum as shown below.

Theory of Change	State Fleet Management Program		
Program Objective	Reduce fleet maintenance expenses through regular replacement while minimizing fleet related health, life, and safety issues.		
Outputs being measured	Fleet maintenance costs and replacement needs		
Outcomes being measured	Maintenance savings achieved from regular replacement of vehicles		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A	N/A	N/A
Continuum Level	Level 3		

Anticipated Outcomes

If this request is funded, the State will maintain a fleet of vehicles that is sufficient to address the needs of State agencies. With respect to law enforcement vehicles, the vehicle replacements help ensure that the maximum safety standards are met for the patrol officers that must travel at high speeds in various conditions. For the rest of the State's agencies, the replacement vehicles will allow the State to operate an efficient fleet, as well as follow the statutory guidance to migrate towards a more environmentally friendly fleet. Finally, with the exception of the State Patrol vehicles, the vehicles slated for replacement are estimated to cost the State more in maintenance costs than would otherwise be required to replace the vehicle. If all 619 vehicles, of which 158 vehicles for State Patrol are replaced, the maintenance and fuel savings is projected to be $275,094

Assumptions and Calculations

Please see the appendix of this request for a detailed description of the Department's methodology for identifying replacement vehicles, as well as detail on how the incremental funding request is developed.

Supplemental, 1331 Supplemental or Budget Amendment Criteria

None.

Appendix

Development of Incremental Budget Need

The budget assumptions for this request include preliminary estimates of the impacts of a FY 2021-22 vehicle reconciliation performed by State Fleet Management, and a further estimated reconciliation of leases ending and increasing during the budget period. Finally, the pro-rated impact of the requested vehicles has been added to the reconciled appropriation.

For FY 2022-23, the Department has assumed continuation funding for the vehicles being replaced since the vehicles arrive at various times during the year and the Department cannot reasonably estimate the arrival of each vehicle. Therefore, the Department will true-up the appropriations for FY 2021-22 during the annual fleet supplemental in the request year.

Estimated State Agency Need

The Department estimated the projected need for State agencies in FY 2021-22 and FY 2022-23 by performing the following steps, as shown in the Summary of Appropriated Department Need tables:

Summary of Appropriated Department Need for FY 2021-22		
Line	**Agency Lease Line Analysis**	**FY 2021-22**
1	FY 2021-22 Base Long Bill Appropriation	$22,799,522
2	Non-Appropriated Vehicle Lease Payments	$4,077,614
3	Total FY 2021-22 Base Funding (All Agencies)	$26,877,136
4	Estimated Reduction to FY 2021-22 Based on Current Lease Payments	($2,156,534)
5	Approved Additions (Prorated)	$100,982
6	Approved Replacements (Prorated)	$1,255,228
7	Remaining Payment Obligations	$119,699
8	Leases Ending in FY 2021-22 (impact to FY 2021-22)	($1,071,555)
9	Estimated FY 2021-22 Statewide Need After FY 2021-22 Supplemental	$25,124,956
10	Non-Appropriated Vehicle Lease Payments	($3,433,123)
11	**Net Appropriated Agency Need for FY 2021-22**	**$21,691,833**
12	**Net FY 2021-22 Estimated Increase from Current LB Appropriation**	**($1,107,689)**

1) Begin with the appropriated (Line 1) and non-appropriated (Line 2) vehicle lease payments 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), the approved replacements (Line 6), and Remaining Payment Obligation (Line 7)

4) Reduce the total need by the value of the leases that will terminate in that year (Line 8) to determine the total statewide need (Line 9)
5) Then, reduce the total Statewide appropriation by the payments that will be made on behalf of non-appropriated agencies (Line 10) to develop the total appropriated agency need for FY 2020-21 (Line 11)
6) Finally, line 12 of the table takes the difference between Line 11 and Line 1. This is the incremental need for State agency appropriations in FY 2021-22 and serves as the base for determining FY 2022-23 total need.

The FY 2022-23 Agency Lease Line Analysis table is calculated the same way that the FY 2021-22 Agency Lease Line Analysis table is. That table below shows the calculation for FY 2022-23 and a description of the calculation steps:

1) Add Line 11 of the FY 2021-22 Lease Line analysis table to the payments for non-appropriated agencies (Line 14) to get to the total base funding (Line 15).
2) To this, the following adjustments are entered:
    a. the impact of FY 2021-22 leases ending in FY 2022-23 (Line 16)
    b. the annualization of FY 2021-22 leases approved for FY 2022-23 (Line 17)
    c. a reduction for leases ending in FY 2021-22 (Line 18)
    d. the FY 2021-22 costs for the replacement of the 706 vehicles (Line 19)
    e. remaining payment obligations (Line 20).
3) The actions above are aggregated into the Estimated FY 2022-23 Statewide Need for FY 2022-23 Replacement line (Line 21).
4) Line 22 calculates the incremental need for the entire State, and the non-appropriated funds (Line 23) are reduced from Line 20 to drive the total need for appropriated agencies in FY 2022-23 (Line 24).
5) The FY 2021-22 appropriated amount is subtracted from Line 24 to arrive at the incremental need for State agencies (Line 25).

Summary of Appropriated Department Need for FY 2022-23		
Line	**Agency Lease Line Analysis**	**FY 2022-23**
13	FY 2022-23 Estimated Need after Additions/Subtractions	$21,691,833
14	Non-Appropriated Vehicle Lease Payments	$3,433,123
15	Total FY 2022-23 Base Funding (All Agencies)	$25,124,956
16	Leases ending in FY 2021-22 (impact on FY 2022-23)	($1,101,554)
17	New FY 2021-22 Leases annualized for FY 2022-23	$2,712,421
18	Leases ending in FY 2022-23 (impact on FY 2022-23)	($1,451,970)
19	619 Vehicle Replacements for FY 2022-23	$1,714,117
20	Remaining Payment Obligations	$333,087
21	Estimated FY 2022-23 Statewide Need After FY 2022-23 Replacements	$27,331,056
22	Net Statewide Increase Over FY 2022-23 Long Bill	$453,920
23	Non-Appropriated Vehicle Lease Payments	($3,997,417)
24	**Net Appropriated Agency Need for FY 2022-23**	**$23,333,640**
25	**Net Increase Over FY 2022-23 Base Long Bill (Appropriated Agencies)**	**$534,118**

Detailed Analysis of Departmental Need

The following tables show the Department's detailed calculations regarding the need of individual agencies for FY 2021-22 and FY 2022-23 that tie to the values presented in the tables above.

Lease Line Reconciliation for FY 2021-22

Dept	Division	Long Bill Vehicle Lease Payment Appropriation for FY 2021-22	CARS Agency Billing Thru May 2021	CARS Monthly Billing for June 2021	Annualized Fixed Payments for FY 2021-22	Approved Additions Fixed Payments (Prorated) for FY 2021-22	Approved Replacements Fixed Payments (Prorated) for FY 2021-22	Remaining Revenue FY 2021-22	Vehicle Leases (Prorated) Ending by 6/30/21	Total Need FY 2021-22	Projected Variance from Appropriation for FY 2021-22
Long Bill Appropriated Agencies											
CDPS	EDO	662,032	148,526	59,299	682,217	65,697	20,336	-	(15,419)	752,831	90,799
CDPS	Colorado State Patrol	9,181,218	1,836,665	758,379	8,662,076	9,494	654,800	1,437	(654,250)	8,673,557	(507,661)
CDPS	CBI	359,239	101,693	35,378	420,095	-	8,732	-	(52,877)	375,950	16,711
CDPS	**CDPS Total**	**10,202,489**	**2,086,884**	**853,056**	**9,764,388**	**75,191**	**683,868**	**1,437**	**(722,546)**	**9,802,338**	**(400,151)**
CDA	Agriculture	415,955	68,938	28,088	321,730	-	12,100	7,510	(1,080)	340,260	(75,695)
CDHS	Department of Human Services	1,152,215	254,057	100,017	1,154,210	2,835	24,572	-	(14,035)	1,167,582	15,367
CDLE	Labor and Employment	191,751	47,226	17,492	204,654	-	4,204	2,127	(8,415)	202,570	10,819
DOC	Department of Corrections	3,468,680	768,982	279,885	3,287,947	-	126,552	70,072	(55,568)	3,429,003	(39,677)
DOE	Department of Education	37,040	7,808	3,166	36,302	-	-	-	-	36,302	(738)
DOL	Attorney General	78,456	14,149	6,366	71,443	1,380	4,400	-	-	77,223	(1,233)
DOLA	Local Affairs	113,942	26,048	9,948	115,580	-	2,944	1,141	-	119,665	5,723
DOMA	Military Affairs	71,007	19,649	6,890	81,659	-	1,592	-	(868)	82,383	11,376
DONR	Natural Resources	4,847,036	1,027,840	385,856	4,500,544	10,536	193,424	24,513	(108,641)	4,620,376	(226,660)
DOR	Department of Revenue	838,511	136,319	51,267	597,722	6,032	25,808	2,483	(31,724)	600,321	(238,190)
DORA	Regulatory Agencies	279,899	51,302	21,427	244,145	5,008	6,148	-	(3,480)	251,821	(28,078)
DOS	Secretary of State	12,443	1,553	846	9,167	-	-	-	-	9,167	(3,276)
DPA	Dept of Personnel	284,389	48,043	17,366	204,337	-	-	-	(4,055)	200,282	(84,107)
DPHE	Department of Health	386,751	90,568	32,883	386,515	-	6,868	-	(40,606)	352,777	(33,974)
GOV	Economic Development	16,877	3,020	1,689	18,221	-	-	-	(4,323)	13,898	(2,979)
GOV	CEO	13,182	1,056	352	4,224	-	-	-	-	4,224	(8,958)
GOV	OIT	125,033	30,315	12,062	138,873	-	6,420	-	(10,586)	134,707	9,674
JUD	Public Defender	139,454	24,068	9,372	108,416	-	3,132	-	(849)	110,699	(28,755)
JUD	Courts	124,412	32,128	11,810	138,418	-	4,800	-	(6,983)	136,235	11,823
Total Long Bill Appropriated Agencies		**22,799,522**	**4,739,953**	**1,849,838**	**21,388,495**	**100,982**	**1,106,832**	**109,283**	**(1,013,759)**	**21,691,833**	**(1,107,689)**
Non Long Bill Appropriated Agencies											
CDOT	Department of Transportation	2,729,759	553,097	218,858	2,522,816	-	78,052	10,416	(45,373)	2,565,911	(163,848)
DOHE	Higher Education Total	1,347,855	197,096	68,022	809,291	-	70,344	-	(12,423)	867,212	(480,643)
Total Non Appropriated Agencies		**4,077,614**	**750,193**	**286,879**	**3,332,107**	-	**148,396**	**10,416**	**(57,796)**	**3,433,123**	**(644,491)**
Statewide Total		**26,877,136**	**5,490,146**	**2,136,717**	**24,720,602**	**100,982**	**1,255,228**	**119,699**	**(1,071,555)**	**25,124,956**	**(1,752,180)**

Replacement Analysis for FY 2022-23

	Division	Total Projected Need FY 2021-22	Payments Included in Current Year Not Needed in FY 2022-23	New Leases Annualized for Full Year in FY 2022-23	Leases (Prorated) for Leases Ending by 6/30/22	Base Need Without Requested Replacements	Replacement Leases Being Requested (Prorated)	FY 2022-23 Remaining Revenue	Total Need After Requested Replacements	Decision Item Figures for Agencies' Schedule 13
Long Bill Appropriated Agencies										
CDPS	EDO	752,831	(17,775)	172,066	(4,317)	902,805	67,058	5,278	975,141	313,109
CDPS	Colorado State Patrol	8,673,557	(292,050)	1,328,588	(922,393)	8,787,702	688,115	-	9,475,817	294,599
CDPS	CBI	375,950	(73,791)	17,464	(26,272)	293,351	25,419	-	318,770	(40,469)
CDPS	**CDPS Total**	**9,802,338**	**(383,616)**	**1,518,118**	**(952,982)**	**9,983,858**	**780,592**	**5,278**	**10,769,728**	**567,239**
CDA	Agriculture	340,260	(8,586)	24,200	(11,712)	344,162	17,373	6,230	367,765	(48,190)
CDHS	Department of Human Services	1,167,582	(22,369)	54,814	(31,644)	1,168,383	26,280	9,880	1,204,543	52,328
CDLE	Labor and Employment	202,570	(18,134)	8,408	(7,092)	185,752	20,803	3,295	209,850	18,099
DOC	Department of Corrections	3,429,003	(149,648)	253,104	(102,223)	3,430,236	141,776	50,452	3,622,464	153,784
DOE	Department of Education	36,302	-	-	-	36,302	-	-	36,302	(738)
DOL	Attorney General	77,223	-	11,560	-	88,783	-	-	88,783	10,327
DOLA	Local Affairs	119,665	(3,395)	5,888	(6,315)	115,843	-	-	115,843	1,901
DOMA	Military Affairs	82,383	(6,056)	3,184	(4,474)	75,037	6,362	-	81,399	10,392
DONR	Natural Resources	4,620,376	(224,850)	407,921	(203,228)	4,600,219	232,049	114,919	4,947,187	100,151
DOR	Department of Revenue	600,321	(44,901)	63,680	(19,451)	599,649	55,640	12,736	668,025	(170,486)
DORA	Regulatory Agencies	251,821	(44,927)	22,312	(7,147)	222,059	34,400	20,336	276,795	(3,104)
DOS	Secretary of State	9,167	-	-	-	9,167	-	-	9,167	(3,276)
DPA	Dept of Personnel	200,282	(3,903)	-	(6,358)	190,021	15,398	2,782	208,201	(76,188)
DPHE	Department of Health	352,777	(45,830)	13,736	(1,700)	318,983	12,464	-	331,447	(55,304)
GOV	Economic Development	13,898	4,323	-	-	18,221	-	-	18,221	1,344
GOV	CEO	4,224	(4,716)	-	-	(492)	-	-	(492)	(13,674)
GOV	OIT	134,707	(9,939)	12,840	(4,702)	132,906	4,160	-	137,066	12,033
JUD	Public Defender	110,699	(2,546)	6,264	(4,828)	109,589	1,608	-	111,197	(28,257)
JUD	Courts	136,235	(13,636)	9,600	(5,082)	127,117	3,032	-	130,149	5,737
Total Long Bill Appropriated Agencies		**21,691,833**	**(982,729)**	**2,415,629**	**(1,368,938)**	**21,755,795**	**1,351,937**	**225,908**	**23,333,640**	**534,118**
							Variance to Long Bill for FY 2021-22		**534,118**	
Non Long Bill Appropriated Agencies										
CDOT	Department of Transportation	2,565,911	(113,452)	156,104	(71,499)	2,537,064	189,315	103,592	2,829,971	100,212
DOHE	Higher Education Total	867,212	(5,373)	140,688	(11,533)	990,994	172,865	3,587	1,167,446	(180,409)
Total Non Appropriated Agencies		**3,433,123**	**(118,825)**	**296,792**	**(83,032)**	**3,528,058**	**362,180**	**107,179**	**3,997,417**	**564,294**
Statewide Total		**25,124,956**	**(1,101,554)**	**2,712,421**	**(1,451,970)**	**25,283,853**	**1,714,117**	**333,087**	**27,331,057**	**1,098,412**

Detailed Description of Replacement Methodology

Step 1. Initial Screen: The initial candidate list is generated from the Colorado Automotive Reporting System (CARS) using a minimum threshold for further replacement consideration. An extraction is done that lists all vehicles projected to meet the following requirements by time of replacement in the final quarter of FY 2022-23. In order to be considered for analysis, a vehicle must meet one of the following criteria:

- All vehicles must have greater than 100,000 miles for vehicles and be four years old and greater than 40,000 miles for patrol motorcycles.
- A vehicle that will be 19 years old or older at the time that the proposed replacement would occur. This is consistent with one of the elements of Executive Order 0012 07, which specified that a priority be placed on the replacement of vehicles model year 1999 and older as a means of improving fuel efficiency.

For FY 2022-23, this initial screen produced 1,647 potential replacements meeting the minimum criteria.

Rationale: This initial screen limits the replacement candidates based upon a logical minimum standard. Mileage is projected through June of the budget request year to include all vehicles that will meet the criteria within the request year. Vehicles that meet these criteria proceed to the next step.

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

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

- **Vehicles with major recent repairs (New engine, transmission, etc.):** The most recent 12 months of repairs are analyzed to identify any individual repairs that required significant expenditures (typically in excess of $5,000 for an individual repair). If the State has recently made a significant investment replacing a major component of a vehicle, the State should expect that the cost to operate the vehicle over the short-term should be reduced, and the State should not replace such vehicles until it has had the opportunity to benefit from that investment.
- **Vehicles in the low cost, low mile work functions:** Vehicles in this category are typically maintenance and support vehicles used in campus type environments. They are typically low mileage (approximately 1,000 miles per year), are often very old, and may have a high cost per mile even though the total annual operating cost is very low. Ideally, these vehicles should be replaced with used, but safe and operable vehicles out of the vehicle turn-in pool. Vehicles that are no longer suitable for high usage functions can often be used in these maintenance type roles without incurring significant repairs, and it is often not economically justifiable to purchase brand new vehicles for low use assignments. Therefore, only the very worst of these maintenance and support vehicles are included in the final submission for replacement.
- **Very high mileage vehicles (>175,000):** Vehicles with this mileage projection are at least 50 percent over the State's minimum mileage replacement criterion. At this point, vehicles tend to deteriorate rapidly, with costly major component breakdowns, decreased reliability, and increased safety concerns. The cost effective operation of such vehicles is highly unlikely after this mileage threshold is reached. In fact, in a less restrictive fiscal environment, State Fleet Management would typically recommend lower thresholds.

Step 3. Rank Highest Priority to Lowest Priority: All of the vehicles that passed through the initial screening criteria meet the basic requirements for replacement. These vehicles are nearly all high-mileage, high-cost and are primarily older vehicles. While all of these vehicles meet the basic criteria for the replacement cycle, the challenge is to make sure that the worst of these vehicles are identified, so that only the worst of the worst will be replaced given any level of funding. By comparing these vehicles to the average vehicle of similar age and type, the State will be able to identify the vehicles that display the greatest operational cost variance from the average. Those that have a considerably higher than average cost will rank higher than those with lower than average costs. This way the State can identify the worst vehicles (from a cost standpoint) and make sure these are assigned the highest replacement priority.

Note that all State Patrol vehicles meeting the minimum criteria will be submitted; therefore, State Patrol vehicles are not included in this ranking. State Patrol vehicles have unique utilization, performance, and safety needs that require replacement on a 4-year cycle. Though State Patrol have these unique qualifications, the “Suspect” replacement list does rank the patrol vehicles internally against each other.

Step 4. AFV Analysis: For the request, SFM identified all vehicles that could be replaced with a known AFV vehicle to maximize the number of AFV vehicles in the fleet. For model year 2022 Hybrid and Electric Vehicle technologies have become much more broadly available offering significant fuel savings across the spectrum of the vehicle platforms.

For all other AFV vehicle selections, the location of the vehicle was not used as the variety of AFV vehicles give the agencies more flexibility in where they are assigned. Location is important when assigning the new AFV vehicles, but it was not used to eliminate any vehicles off the suspect list. This is in alignment with SFM’s methodology of only replacing the “worst of the worst” (WOW) vehicles for this proposal.

Each year SFM conducts an AFV Vehicle Cost Analysis for awarded vehicles against their gasoline equivalents to ensure they are cost effective, and are within the 10% life cycle cost thresholds per S.B. 13-070.

Step 5. Further Considerations to Determine Final List: The State Fleet Management program does not operate in a static environment. Changes in the budgetary environment, evolving agency needs, historical funding patterns for the fleet, regulatory changes, legislative actions, and the impact of recent internal fleet initiatives can, and should, be taken into consideration in developing the final request for any given year.

- **State funding capabilities: I**n any given year, it is impractical to replace all the vehicles necessary to maintain an optimal fleet, from a total cost of fleet ownership. When funds are scarce, it is especially important that the highest mileage vehicles that present immediate safety and reliability concerns are replaced so that the funds that are spent on the fleet can provide the optimal financial benefit to the State.

- **Impact of Fleet or Agency reduction initiatives: I**nitiatives undertaken by State Fleet Management and individual agencies to reduce the total number of vehicles in the fleet can affect the replacement process in two ways. First, by reducing the overall size of the fleet, the percentage of optimal replacements necessary to maintain the fleet each year produces a smaller number of candidates. Second, a large number of vehicles leaving the fleet inevitably includes some of the worst vehicles in the fleet. These are also the same vehicles that should be the highest priority for replacement, and since they no longer need to be replaced, the number of requested replacements in that year might be reduced.
- **Prior year funding and replacement levels:** Reduced funding of replacements in previous years has put additional pressure on the fleet, and will require reasonable levels of replacements in subsequent years. With an average vehicle life of 10 years the State should be replacing approximately 1/10 of the non-CSP fleet or 550+ non-CSP vehicles each year. This level of replacement allows for maintenance costs to remain relatively unchanged year over year.
- This year's request represents vehicle replacements returning to near normal levels. If all 619 vehicles are replaced, the maintenance and fuel savings is projected to be $1,708,595 across appropriated and non-appropriated vehicles.

Step 6. Economic Validation: The final step involves a financial analysis of the alternatives to make sure that the proposed replacements have a solid economic justification and represent an optimal financial decision for the State.

Additional Request Calculations

DPA Vehicle Replacement Lease/Purchase Line Item Calculation: Based on recommended replacement vehicles for FY 2022-23, the following table outlines the calculation of the (7) Division of Capital Assets, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item.

STATE FLEET LEASE LINE APPROPRIATION ANALYSIS			
SFM Lease Payments Due by Trust Year	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
TRUST 2010 (Exhibit B)	$ 2,061	$ -	$ -
TRUST 2011 (Exhibit B)	$ 88,580	$ 7,479	$ -
TRUST 2012 (Exhibit B)	$ 617,893	$ 586,436	$ 97,839
TRUST 2013 (Exhibit B)	$ 1,518,447	$ 858,853	$ 779,356
TRUST 2014 (Exhibit B)	$ 1,444,843	$ 1,357,539	$ 817,237
TRUST 2015 (Exhibit B)	$ 1,720,144	$ 1,437,539	$ 1,360,644
TRUST 2016 (Exhibit B)	$ 2,037,456	$ 1,572,714	$ 1,433,851
TRUST 2017 (Exhibit B)	$ 4,014,877	$ 2,764,382	$ 1,859,102
TRUST 2018 (Exhibit B)	$ 4,165,439	$ 4,121,200	$ 2,966,063
TRUST 2019 (Exhibit B)	$ 3,994,446	$ 3,994,446	$ 3,886,050
TRUST 2020 (20 Pro-Ration)	$ 4,166,567	$ 4,166,567	$ 4,166,567
TRUST 2021 (21 Pro-Ration) Pending	$ 826,694	$ 3,765,684	$ 3,765,684
TRUST 2022 (22 Pro-Ration) Pending	$ -	$ 1,056,138	$ 5,142,350
Total Known Lease Payments Due	**$ 24,597,448**	**$ 25,688,977**	**$ 26,274,744**
Unforeseen (Accident totals, denied repairs, etc.) @1.5%	$ 368,962	$ 385,335	$ 394,121
Accident Totals (Known YTD)	$ -	$ -	$ -
Total SFM Lease Spending Authority Need for FY 2020-21	**$ 24,966,410**	**$ 26,074,312**	**$ 26,668,865**
FY 2020-21 Appropriation			
Current Year Base Spending Authority (FY 2020-21 Base)	$25,829,508	$25,829,508	$ 25,829,508
Required Additional Spending Authority (over FY 2020-21 Base)	**$ (863,098)**	**$ 244,804**	**$ 839,357**

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-10 HB 20-1153 Partnership Agreement

Dept. Approval By: Cammon Bellamy 10/26/2021

OSPB Approval By: Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:31:56 -06'00'

____ **Supplemental FY 2021-22**

____ **Budget Amendment FY 2022-23**

X **Change Request FY 2022-23**

Summary Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$9,234,429**	**$0**	**$9,264,745**	**$1,000,000**	**$1,000,000**
	FTE	19.2	0.0	19.2	1.0	1.0
	GF	$4,760,414	$0	$4,744,495	$1,000,000	$1,000,000
	CF	$257,633	$0	$259,279	$0	$0
	RF	$4,216,382	$0	$4,260,971	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Health, Life and Dental	**Total**	**$4,448,038**	**$0**	**$4,426,538**	**$10,042**	**$10,042**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,620,781	$0	$1,542,900	$10,042	$10,042
	CF	$145,314	$0	$164,158	$0	$0
	RF	$2,681,943	$0	$2,719,480	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Short-term Disability	**Total**	**$44,196**	**$0**	**$44,102**	**$128**	**$128**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$18,474	$0	$18,518	$128	$128
	CF	$1,759	$0	$1,491	$0	$0
	RF	$23,963	$0	$24,093	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$4,012**	**$4,012**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$4,012	$4,012
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
01. Executive Director's Office, (A) Department Administration, (1) Department Administration - Supplemental Amortization Equalization Disbursement	**Total**	**$1,391,105**	**$0**	**$1,387,094**	**$4,012**	**$4,012**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$580,587	$0	$581,580	$4,012	$4,012
	CF	$55,280	$0	$46,815	$0	$0
	RF	$755,238	$0	$758,699	$0	$0
	FF	$0	$0	$0	$0	$0
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - Personal Services	**Total**	**$1,871,858**	**$0**	**$1,931,790**	**$90,145**	**$90,145**
	FTE	19.2	0.0	19.2	1.0	1.0
	GF	$1,871,858	$0	$1,931,790	$90,145	$90,145
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - Operating Expenses	**Total**	**$88,127**	**$0**	**$88,127**	**$7,950**	**$950**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$88,127	$0	$88,127	$7,950	$950
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2021-22 Initial Appropriation	FY 2021-22 Supplemental Request	FY 2022-23 Base Request	FY 2022-23 Change Request	FY 2023-24 Continuation
	Total	**$0**	**$0**	**$0**	**$500,000**	**$500,000**
02. Division of Human Resources, (A) Human Resource Services, (2) Labor Relations Services - Union Stewards	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$500,000	$500,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
	Total	**$0**	**$0**	**$0**	**$383,711**	**$390,711**
02. Division of Human Resources, (A) Human Resource Services, (1) State Agency Services - State Employee Tuition Reimbursement	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$383,711	$390,711
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-10
Request Detail: HB 20-1153 Partnership Agreement

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$0	$1,000,000	$1,000,000
FTE	0.0	1.0	1.0
General Fund	$0	$1,000,000	$1,000,00
Cash Funds	$0	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request

House Bill 20-1153 required the State and the state employee labor union to create through negotiations a three-year partnership agreement. The partnership agreement consists of thirty-three articles, the majority of which are non-economic. As part of the partnership agreement, the Department of Personnel & Administration (DPA or the Department) requests $1.0M General Fund and 1.0 FTE for FY 2022-23 for two of the economic articles. The request includes $500,000 General Fund and 1.0 FTE for tuition reimbursement for state employees for Fiscal Years 2022-23 and 2023-24 in accordance with the partnership agreement. The funding for the Human Resource Specialist IV position is part of the $500,000 GF request for tuition reimbursement. In the first year, the Department is requesting that $116,289 of the tuition reimbursement money be used for the FTE. In FY 2023-24, that amount decreases to $109,289 due to the annualization of one-time operating expenses.

The Department also requests $500,000 for reimbursement for employees who are engaged in union officer and steward activities. This request reflects the negotiated terms of the Partnership Agreement between the State and the Colorado Workers for Innovative and New Solutions (“Colorado WINS”) in accordance with HB 20-1153 and also promotes equity, diversity, and inclusion (EDI).

Current Program

HB 20-1153 “Colorado Partnership For Quality Jobs And Services Act” was signed into law in 2020 and created a collective bargaining system between covered state employees and the State of Colorado executive branch. This bill required the State to enter into a partnership agreement with a certified employee organization, now Colorado WINS. The partnership agreement was required by the bill to define the duties of the parties and created a grievance procedure to resolve disputes.

The principles of the Partnership Agreement negotiated between the State and Colorado WINS include a commitment to pay equity recognizing experience and years of service and identifying and resolving pay inequity based on race, ethnicity, and gender; alignment with prevailing market compensation; and funding a liveable wage. The Department agreed to request funds through the budget process for employee time spent on union office and steward activities, as well as funding for tuition reimbursement.

Problem or Opportunity

The State does not currently reimburse departments for employee time spent on union activities. Additionally, the State does not currently have a statewide, standardized employee tuition reimbursement program. This benefit allows for the provision of new opportunities to employees while supporting recruitment efforts and employee retention, increasing talent development, and promoting employee engagement across the state.

Proposed Solution

This request is for $1 million in General Funds and 1.0 FTE, at the Human Resources Specialist IV level, in FY 2022-23 and FY 2023-24 through the first partnership agreement. Half of the funding will provide the staff and programmatic funding for a tuition reimbursement program, as well as reimburse departments for office and stewards for union activities. These requests reflect the negotiated terms of the Partnership Agreement between the state and Colorado WINS.

Since no process for department reimbursement for employee union officer and steward reimbursement currently exists, the Department will create a process for reviewing and distributing reimbursement funds for qualified time spent by employees serving as union officers and stewards.

Tuition reimbursement will include part or all of an employee's continuing education for tuition and fees from an accredited four-year or two-year college, professional certification program, or trade/vocational school. Continuing education may include coursework pertaining to an employee's current job description or may focus on moving the employee into a management role or on gaining skills that will be put towards other future roles or assignments.

Full-time state employees who have been employed with the state for at least one year may be eligible to receive up to $5,250 in tuition reimbursement. Part-time employees who have been employed with the state for one or more years may be eligible to receive up to $2,625 in tuition reimbursement. Based on average tuition costs, this covers up to the cost of a full-time employee attending a two-year institution and up to approximately 46 percent of the cost to attend a four-year institution. For a part-time employee, this covers up to approximately 54 percent of the cost to attend a two-year institution and up to 23 percent of the cost of attending a four-year institution[1]

To be eligible for reimbursement, State employees must apply through the Department, where their applications will be reviewed by the Human Resources Specialist IV position. This staff member will implement and manage the application process, review tuition reimbursement requests, and authorize reimbursements. It is estimated that at least 74 state employees may be selected for reimbursement, making this a potentially competitive process.

If selected, the employee will need to provide copies of their transcript or grade report papers showing verification of a passing grade in order to receive the reimbursement. The Human Resources Specialist IV will measure the success of the program by documenting the number of applicants and recipients, surveying the recipients and their managers, and by collecting data on employee retention, promotions, and transfers, prior to and following receipt of the reimbursement.

This request is considered a level three on the evidence continuum as shown below.

Theory of Change	The request includes tuition reimbursement for state Funding will include $500,000 for tuition reimbursement for state employees (including 1.0 FTE to support the disbursement of tuition reimbursements, and the funding for administrative leave for employees serving as officers or salaries of stewards for union activities. This reflects the negotiated terms of the Partnership Agreement between the State and the Colorado Workers for Innovative and New Solutions ("Colorado WINS").

[1] Hernandez, Elizabeth. What is Behind Increasing College Tuition in Colorado? *The Denver Post*, May 7, 2021.

Program Objective	Provide state employees new opportunities for growth and development in the workplace and further increase retention and employee engagement.		
Outputs being measured	Documenting the number of tuition reimbursement applicants and recipients. Collecting data on employee retention, promotions, and transfers, prior and following receipt of the reimbursement. Leave pay for employees conducting union officer or steward activities will also be measured.		
Outcomes being measured	Surveying the recipients and their managers.		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post		
Results of Evaluation	N/A		
Continuum Level	Step 3		

Anticipated Outcomes

As this will be the first state tuition reimbursement program, it will be evaluated on an annual basis. Initial evaluation will include, but is not limited to, a survey of the recipients and their supervisors, as well as data on employee retention, promotions, and transfer prior to and following receipt of the reimbursement. It is anticipated that this employee benefit will provide state employees new opportunities for growth and development in the workplace and further increase retention and employee engagement.

Assumptions and Calculations

The 1.0 FTE calculation for the Human Resources Specialist IV can be found below:

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($1,410), docking station and monitors ($260), Office Suite Software ($330), and office furniture

General Fund FTE -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are not subject to the paydate shift, and therefore requested as full-time staff.

Expenditure Detail			FY 2022-23		FY 2023-24
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
HUMAN RESOURCES SPEC IV	$3,086	1.0	80,236.00	1.0	80,236.00
PERA			8,746.00		8,746.00
AED			4,012.00		4,012.00
SAED			4,012.00		4,012.00
Medicare			1,163.00		1,163.00
STD			128.00		128.00
Health-Life-Dental			10,042.00		10,042.00
Subtotal Position 1, #.# FTE		**1.0**	**108,339.00**	**1.0**	**108,339.00**
Subtotal Personal Services		1.0	**108,339.00**	1.0	**108,339.00**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	$500	1.0	500.00	1.0	500.00
Telephone Expenses	$450	1.0	450.00	1.0	450.00
PC, One-Time	$2,000	1.0	2,000.00	0.0	0.00
Office Furniture, One-Time	$5,000	1.0	5,000.00	0.0	0.00
Indirect Costs, if applicable			0.00		0.00
Leased Space, if applicable	$6,600		0.00		0.00
Other					
Other					
Subtotal Operating Expenses			**7,950.00**		**950.00**
TOTAL REQUEST		1.0	**116,289.00**	1.0	**109,289.00**
	General funds:		*116,289.00*		*109,289.00*
	Cash funds:		*0.00*		*0.00*
	Reappropriated Funds:		*0.00*		*0.00*
	Federal funds:		*0.00*		*0.00*

The full funding for the tuition reimbursement program will include the personal services and operating expenses for the Human Resources Specialist IV. Additional operating expenses for the program may be incurred beyond those outlined in the standard assumptions for an FTE within the State. For example, the Tuition Reimbursement program may require marketing materials, a communication budget, funding for survey and data collection tools, etc. Those expenses will be netted against the overall budget, and the balance will be made available for tuition reimbursement. For FY 2022-23, the Department estimates the maximum amount available for tuition reimbursement will be $383,711, which will annualize to $390,711 in FY 2023-24 due to one-time operating expenses.

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.

Department of Personnel & Administration

Funding Request for the FY 2022-23 Budget Cycle

Request Title

R-11 Potential Legislation - Colo Disability Funding Committee

Dept. Approval By:	Cammon Bellamy 10/26/2021	____	**Supplemental FY 2021-22**
OSPB Approval By:	Meredith Moon Digitally signed by Meredith Moon Date: 2021.10.26 14:34:51 -06'00'	____	**Budget Amendment FY 2022-23**
		X	**Change Request FY 2022-23**

Summary Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$829,976**	**$0**	**$911,976**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$829,976	$0	$911,976	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	**Fund**	**FY 2021-22** Initial Appropriation	**FY 2021-22** Supplemental Request	**FY 2022-23** Base Request	**FY 2022-23** Change Request	**FY 2023-24** Continuation
01. Executive Director's Office, (B) Statewide Special Purpose, (5) Other Statewide Special Purpose - Disability Funding Committee	**Total**	**$829,976**	**$0**	**$911,976**	**$0**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$829,976	$0	$911,976	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	YES		
Type of Request?	Department of Personnel & Administration Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Personnel & Administration

FY 2022-23 Funding Request

November 1, 2021

Jared Polis
Governor

Tobin Follenweider
Interim Executive Director

Department Priority: R-11
Request Detail: Potential Legislation - Colorado Disability Funding Committee

Summary of Funding Change for FY 2022-23			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2023-24 Request
Total Funds	$829,976	$0	$0
FTE	0.5	0.0	0.0
General Fund	$0	$0	$0
Cash Funds	$829,976	$0	$0
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$0	$0

Summary of Request

The Department of Personnel & Administration (DPA or the Department) requests a net-zero refinance of the Colorado Disability Funding Committee's (CDFC or the Committee) existing spending authority to the Disabled Parking Education and Enforcement Fund for FY 2022-23 and beyond. The amount refinanced via this request is $100,000 total funds. This request also seeks to eliminate technical errors, add clarity to the grants and license plate sales processes, and provide oversight and appropriation authority for the Disabled Parking Education and Enforcement Fund to the Committee. The Department also requests to transfer the Disabled Parking Education and Enforcement Fund and the funds it currently contains from the Governor's Office to DPA. These changes will allow the funds to be used for their statutory purpose.

This request aligns with the purpose of the Colorado Disability Funding Committee - to improve the quality of life and independence of Coloradans with disabilities. The committee's goals of equity, diversity, and inclusion are implemented through grants for employment, education, recreation, and healthcare programs. Full involvement of people with disabilities is a core element of equity, diversity, and inclusion (EDI) efforts.

Current Program

The Council for People with Disabilities originated as the Governor's Council for People with Disabilities (the Council) within the Governor's Office, which was later renamed and moved to the Colorado Department of Human Services. The Council was statutorily tasked with advising the Governor and Legislature on issues impacting Coloradans with disabilities but was mostly unknown to both the executive and legislative branches.

The Council was also responsible for oversight of the Disabled Parking Education and Enforcement Fund, pursuant to Section 42-1-226, C.R.S. Revenue into this fund is generated from disabled parking violation citations - one-half of all disabled parking fines issued by State and local authorities to are transferred to the Fund in accordance with Section 42-4-1208(6)(k), C.R.S. Expenditures from the Fund are currently limited to Treasury fees.

In the 2020 legislative session, the JBC removed the funding for the Council for People with Disabilities, thereby concluding their activities and eliminating the only entity with the authority to expend funds from the Disabled Parking Education and Enforcement Fund.

This request will transfer the Disabled Parking Education and Enforcement Fund to the Department under the purview of the CDFC. The Committee was created in HB 16-1362, which combined the License Plate Auction Group and Disability Benefit Support Contract Committee. The Committee auctions Colorado motor vehicle license plate configurations to raise money to aid persons with disabilities in accessing disability benefits and to fund new and innovative ideas that improve the quality of life and independence of individuals with disabilities. SB 21-099 continued the Committee until 2026.

In 2020, an inter-agency agreement (IA) temporarily transferred staffing responsibilities for the Committee to the Lt. Governor's Office to improve its function before the scheduled 2021 sunset. This inter-agency agreement has led to increased revenue and awarded grants, a more collaborative Committee, and increased public visibility. As the 2020 sunset report stated, "The five-year continuation is justified because of the marginal performance of the Committee, and the opportunity for improvement that the IA presents." Continuation of this inter-agency agreement for another year or more will better prepare the Committee for ongoing success.

The Committee remains statutorily located within the Department of Personnel & Administration. DPA is responsible for the accounting of the Committee's grantee decisions; however, the 0.5 FTE appropriated to DPA for the Committee is fully transferred to the Lt. Governor's Office through 2022, even though the responsibility for accounting for the program remains within DPA's Executive Director's Office (EDO.

Revenue for the Committee comes from the license plate configuration sales as well as interest on the Committee's cash fund and interest from the Breast and Cervical Cancer Awareness Fund.

The Committee's appropriation is higher than the Committee's cash fund balance and expenditures are substantially lower than the appropriation. The appropriation was set high to allow the Committee to spend any revenue they generate in any fiscal year. FY 2020-21 expenditures will be approximately $125,000, and FY 2021-22 expenditures are not likely to exceed $200,000. This net-zero request refinances $100,000 of the Committee's existing spending authority to the Disabled Parking Education and Enforcement Fund for FY 2022-23 and beyond.

Problem or Opportunity

With the termination of the Council, no entity has spending authority on the Disabled Parking Education and Enforcement Fund. The Committee is an appropriate entity to effectively expend funds from the Fund. The Fund is statutorily required to be used to fund a grantee to do disabled parking education, which is similar to the other grants the Committee awards.

This is a one-time request by the Committee's Governance Sub-Committee for a bill to make various changes to statute that will clean up technical issues and clarify the process for the Committee, including the transfer of the Disabled Parking Education and Enforcement Fund to the department with oversight and spending authority given to the Committee.

Proposed Solution

The Department requests the requisite statutory authority to manage the Disabled Parking Education and Enforcement Fund, as well as receive and expend funds out of the same. In addition, the Department requests, through this action, $100,000 in spending authority from the Disabled Parking Education and Enforcement Fund for FY 2022-23 as a net-zero refinance of its current spending authority. Transfering the Disabled Parking Education and Enforcement Fund, and the fund balance it currently contains, to the Department of Personnel & Administration and giving the

Committee spending authority, will allow these funds to be used for their statutory purpose.

The changes are supported by the Committee's Governance Sub-Committee to make various statutory changes to resolve technical issues and clarify the process for the Committee, including the designation of the Fund to the Committee.

The following are the proposed legislative changes:

Section 24-30-2203(1) - Delete the last sentence since the Council for People with Disabilities was eliminated in 2020.

Section 24-30-2204.5(2) - Add section (c): "If a sole proprietorship, have an owner who is a person with a demonstrated commitment to improving the lives of persons with disabilities or be a person with disabilities or family member of persons with disabilities."

Section 24-30-2205.5(4) - Language to clarify when "new and innovative" grants can be awarded. "The committee shall prioritize funding for the implementation of section 24-30-2204 before funding for the implementation of section 24-30-2204.5."

Section 24-30-2207 - Delete "License plate auction group" and insert "Colorado disability funding committee."

Section 42-3-211(9)(b) - To allow people to file a form DR 2232 with state DMV to keep the rights to a license plate configuration but not register it to a vehicle 42-3-206.5 and refer to 24-30-2207(1)(g) to give DMV authority to sell historic license plate backgrounds over the counter with a fee going to the Committee.

24-75-402(5) - Add an exemption to the uncommitted reserves requirements for the Disability Support Cash Fund established at 24-30-2205.5.

Insert 42-1-227 to replace the spending authority for the Disabled Parking Education and Enforcement Fund, but give it to the Disability Funding Committee since the Council for People with Disabilities that had spending authority was eliminated with HB20-1392.

Strike 42-1-226(2) that greatly complicated the ability to award grants for disabled parking education.

Increase the Committee FTE by 0.1, appropriated from the Disabled Parking Education and Enforcement Fund, to account for the increased workload to administer the Fund.

Disabled parking abuse is a rampant issue nationwide, as highlighted by the Accessible Parking Coalition. Education and enforcement are part of the solution; because fines for violations generate revenue for the Fund, this should be a self-sustaining effort. Additional state and local legislation may also be needed, however additional data is needed to determine additional ways to curb abuse without harming those who legitimately need the disabled parking privileges.

The Committee has awarded $150,000 in grants to 11 organizations in the last four years. Based on the statutory requirements, these are for new and innovative ideas and mostly have been awarded to small non-profits. All of the organizations and funded projects are still in operation.

The Committee raised approximately $115,000 in the last four years, with $85,000 in calendar year 2021. Increasing revenues is necessary for the long-term sustainability of the Committee.

If this request is not approved, there will be continued inefficiencies in the statutory framework for the Committee resulting in less revenues and less grants awarded for programs that improve the quality of life and independence of people with disabilities, as well as an inability to expend funds contained in the Disabled Parking Education and Enforcement Fund for their stated purpose.

This request falls under level one on the evidence continuum as shown below.

Theory of Change	Colorado Disability Funding Committee		
Program Objective	To raise money to aid persons with disabilities in accessing disability benefits and to fund new and innovative ideas that improve the quality of life and independence of individuals with disabilities		
Outputs being measured	N/A		
Outcomes being measured	N/A		
Cost/Benefit ratio	N/A		
Evaluations	Pre-Post	Quasi-Experimental Design	Randomized Control Trial
Results of Evaluation	N/A		
Continuum Level	Level 1		

Anticipated Outcomes

Anticipated outcomes of this request include the clean-up of technical issues and clarification of processes that impact the work of the Colorado Disability Funding Committee (CDFC). These changes will result in increased revenue to the Committee through the sale of historic license plate backgrounds and increased grant funding for both for- and nonprofit entities with new and innovative ideas to improve the quality of life and independence of people with disabilities.

Transferring the Disabled Parking Education and Enforcement Fund from the Governor's Office to the Department will decrease the cash funds under management within the Governor's Office. Granting the Colorado Disability Funding Committee spending authority of these funds will align with its statutory purpose, to better educate law enforcement and the public about disabled parking. Increasing law enforcement awareness regarding the concern of disabled parking should result in increased citations, resulting in increased revenue for the local municipality and the Disabled Parking Education and Enforcement Fund. Ultimately, this should lead to decreased illegal use of disabled parking spaces, thereby benefiting the disabled community.

Assumptions and Calculations

The balance of the Disability Support Fund under the Colorado Disability Funding Committee at the start of FY 2021-22 was $358,710. The Committee generated approximately $55,580 in revenue from four license plate configuration auctions at the end of FY 2020-21, and has already generated $29,660 from four auctions already in FY 2021-22. Current plans include at least one auction per month going forward. The Committee also awarded four grants at $10,000 each and is planning another grant round in November 2021.

Once implemented, SB 21-069 will generate an unknown amount of additional revenue for the Committee. A $25 fee on each license plate with a green background and white text sold or renewed will go to the Committee.

Revenue for license plate configuration sales as well as historic background sales is not subject to TABOR as outlined in this Office of Legislative Legal Services opinion from 2016.

Supplemental, 1331 Supplemental or Budget Amendment Criteria

Not applicable.