

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING**

**COMMON POLICIES**

**(Health, Life, and Dental, Workers' Compensation, Liability and Property Premiums, Vehicle Lease Payments, Capitol Complex Lease Rates, and Administrative Law Judges)**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Caroline Smith, JBC Staff  
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For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**JBC Working Document - All Decisions Subject to Change**  
***Staff Recommendation Does Not Represent Committee Decision***

**COMMON POLICIES**  
**FY 2010-11 FIGURE SETTING**

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## RISK MANAGEMENT OVERVIEW

Risk Management includes liability, property, and workers' compensation programs. These functions are funded by transfers from user agencies to the Department of Personnel and Administration.

- ❑ Liability and property premiums: The General Assembly appropriates spending authority for each department through the "Payment to Risk Management and Property Funds" line item, which is typically located in each Executive Director's office. Pursuant to Section 24-30-1510 (1), C.R.S., and Section 24-30-1510.5 (1), C.R.S., the liability and property programs are continuously appropriated, so that they have the flexibility to pay for claims as they arise.
- ❑ The *workers' compensation* coverage is appropriated through its own line item in each department, which is also typically located in the Executive Director's office. These funds are also transferred to the Department of Personnel and Administration to support the program's operating costs and claims payments. This line item is not continuously appropriated.

The table below provide an overview of the number of claims, total costs incurred, and total expenditures, for each of the risk management programs.

Risk Management: Property, Liability, and Workers' Compensation								
	FY 2005-06		FY 2006-07		FY 2007-08		FY 2008-09	
	Funds	Claims	Funds	Claims	Funds	Claims	Funds	Claims
Property Losses								
Total incurred	\$4,851,333	106	\$15,807,291	131	\$6,817,516	107	\$2,490,180	129
Total expenses	5,818,914		6,556,767		9,047,174		7,997,934	
Liability Losses								
Total incurred	4,622,215	1,365	4,453,853	1,543	4,787,357	1,530	4,419,753	1,378
Total expenses	5,271,058		4,540,332		4,951,379		6,435,247	
Workers' Comp.								
Total incurred	19,454,196	3,704	22,211,485	3,865	23,088,785	4,059	19,777,047	3,717
Total expenses	26,517,136		30,686,971		34,115,340		36,202,854	
<b>Total</b>	<b>\$37,607,108</b>	<b>5,175</b>	<b>\$41,784,070</b>	<b>5,539</b>	<b>\$48,113,893</b>	<b>5,696</b>	<b>\$50,636,035</b>	<b>5,224</b>

- ❑ *Incurred costs* are the total paid and total reserve for claims that have a loss date during that

fiscal year. These amounts are the truest indication of the State's risk management losses because they reflect the costs that the State is actually experiencing each year.

- ❑ *Expenditures* are what the State paid on claims during a given fiscal year, including payments on claims with loss dates in prior years.

### **Allocation of Statewide Costs to Departments**

Agency allocations for **workers' compensation and liability premiums** are based on two general categories: (1) the actuary's cost estimates for each individual agency; and (2) the overhead costs the Department incurs for administering the programs.

- ❑ *Actuary estimates:* The Department of Personnel and Administration contracts with an actuary to estimate the State's total current liability by analyzing losses during the prior three years. Using this same data, the actuary then estimates the allocation for each agency as a percent of the total (including each institution of Higher Education).
- ❑ *Overhead costs:* The Department then adjusts the actuary's estimate for revised overhead expenditures such as personal services salaries and benefits, as well as statewide common policies.

The allocation of **property premium** costs is not based on an actuary's calculations. These costs are allocated amongst state agencies according to their property holdings (building and content values).

Please note: there is a difference between Staff's **recommended appropriation for each Premium's line item** appropriation (spending authority) and the **recommended costs allocated to departments:**

- ❑ During the FY 2009-10 figure setting for risk management common policies, JBC staff recommended that the General Assembly transfer excess fund balance dollars from the risk management cash funds to the General Fund for budget balancing purposes.
- ❑ The federal government will not permit federal moneys, collected through billings for common policies, to be transferred from cash funds to the General Fund. The State is still negotiating with the federal government about the portion of the transfer that is attributable to federal contributions, and it is possible that the State will be charged interest on the final amount.
- ❑ The Department requests, and staff recommends, that in lieu of transferring available fund balances to the General Fund, that the General Assembly collect less from the departments and spend down the fund balance during FY 2010-11.

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**Liability Premiums**

The State is self-insured for liability claims, and pursuant to Section 24-30-1510 (1), C.R.S., this line item is continuously appropriated and funded by the Risk Management Fund (Section 24-30-1510 (1), C.R.S.). The Fund receives revenues from two main sources: (1) payments from state agencies; and (2) interest earned on the fund balance. Types of claims include: (1) federal claims for employment discrimination; (2) federal claims for civil rights violations; and (3) allegations of negligence on the part of a State agency or employee, such as auto accidents or injuries occurring in a State building.

Pursuant to Section 24-10-114, C.R.S., judgements for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S. This act limits judgements to \$150,000 per person and \$600,000 per occurrence. The majority of the 2,200 liability claims that are filed against the State every year are dismissed due to this act. However, the Immunity Act does *not* apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.). Therefore, there is no damage limit for these awards.

<b>Liability Premiums Costs to be Billed to Departments</b>	
<b>Program Overhead Costs</b>	
Personal services	\$89,748
Audit expense	75,829
Indirect costs	25,035
Common policies - POTS	10,627
Operating expenses	7,803
Operating common policies	<u>7,737</u>
<b>Subtotal, Program Overhead</b>	<b>\$216,779</b>
<b>Liability Premium Expenses</b>	
Prospective losses	\$6,645,500
Excess auto	350,676
Crime policy	230,126
RMIS services fees <sup>1/</sup>	45,000
Actuarial services	32,500
Broker service fees	<u>8,573</u>
<b>Recommendation, Liability Premium line item</b>	<b>\$7,312,375</b>
Legal Expenses	\$2,399,058
Adjust for targeted fund balance	<u>(6,794,841)</u>

<b>Liability Premiums Costs to be Billed to Departments</b>	
<b>Total Recommendation, Agency Billings</b>	<b>\$2,916,592</b>
1/ The state contracts with a third party for the use of the Risk Management Information System (RMIS).	

**PROPERTY PREMIUMS**

The Property Premiums line item funds insurance coverage for state buildings and their contents, and the Department insures over 6,000 pieces of property that are worth in excess of \$9.0 billion. Unlike liability and workers' compensation coverage, the State is not self-insured for property insurance. It contracts with Marsh, Inc., to procure commercial coverage for loss or damage to covered state property. Property premiums also provide coverage for boiler and machinery, state aircraft, and crime loss.

Individual departments pay a \$1,000 deductible per claim. The State has a \$300,000 deductible per occurrence, and an aggregate deductible of \$2.0 million for each policy year. The exception is for maintenance claims, for which the State pays a \$25,000 deductible, regardless of whether it has met the statewide aggregate deductible. The State holds \$500.0 million in total property coverage. In accordance with Section 24-30-1510.5, C.R.S., the expenses are funded by the Self-Insured Property Fund.

- ❑ *Agency allocations:* Policy premiums are allocated amongst state agencies according to their property holdings (building and content values).

<b>Property Program Billable Costs</b>	
<b>Program Overhead</b>	
Personal services	\$112,792
Indirect costs	31,463
Common policies - POTS	13,356
Operating common policies	9,825
Operating expenses	<u>9,806</u>
<b>Subtotal</b>	<b>\$177,242</b>
<b>Property Premiums Expenses</b>	
Policy deductibles and residuals	\$4,282,516
Property & boiler policies	4,012,183
Terrorism premium	293,848
Flood zone A premium	235,682

Property Program Billable Costs	
Broker service fees	258,000
Auto physical damage	62,681
RMIS service fees	<u>45,000</u>
<b>Subtotal</b>	<b>\$9,189,910</b>
Adjustment for targeted fund balance	(6,522,621)
<b>Total, Agency Billings for Property Premiums line item</b>	<b>\$2,667,289</b>

**Staff recommends an appropriation of \$9,189,910 reappropriated funds for the Property Premiums line item for FY 2010-11.** Staff also recommends that a total of \$2,667,289 be allocated amongst the departments, based upon each agency's total property value. The recommended agency allocations are included in a table at the end of the Risk Management section. According to documents from the Department of Personnel and Administration, this recommendation will result in a fund balance of approximately \$1.6 million, which it considers to be a sufficient reserve.

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#### **WORKERS' COMPENSATION**

The Workers' Compensation program is funded by appropriations from the State Employees Workers' Compensation Account, which is a separate account within the Risk Management Fund (Section 24-30-1510.7 (1), C.R.S.). Similar to the other types of risk management programs, the fund receives revenue from: (1) funds transferred from other user agencies, and (2) interest earned on those funds.

**Types of claims:** There are two broad categories of workers' compensation claims, indemnity benefits and medical benefits. The *indemnity benefits* include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum for *medical benefits*.

**Efforts to reduce costs:** Workers' compensation requires the greatest appropriation of the three risk management programs. Although general causes for workers' compensation claims vary amongst departments, the top causes (such as strain, fall, and repetitive motion) span all agencies. This suggests that safety training programs and policies could have a significant impact by focusing on the most egregious causes.

The departments with the most workers' compensation claims are Corrections, Human Services, Judicial, Public Safety, and Transportation. These departments have been participating in a program

titled "It's a New Day", which focuses on: (1) raising awareness about the overall cost of workers' compensation claims; (2) claims management; (3) increasing on the job training; and (4) distributing safety materials. There are also initiatives such as functional capacity testing, which determines whether a job applicant is physically able to perform a job, and a return-to-work program to help injured workers return to work earlier, such as in a modified duty position, to reduce indemnity payments. The Department reports that over the past two years, those agencies with the pilot program have experienced a 14.8 percent *decrease* in workers' compensation claims, while non-participating agencies experienced an *increase* of 22.6 percent.

Staff's recommendation for the Workers' Compensation Premiums line item appropriation is included in the following table.

<b>Workers' Compensation Premiums</b>			
<b>Program Overhead</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>	<b>Difference</b>
Personal services	\$456,671	\$445,254	(\$11,417)
Indirect costs	127,389	127,389	0
Common policies - POTS	54,076	54,076	0
Operating expenses	39,702	39,702	0
Operating common policies	<u>37,006</u>	<u>37,006</u>	<u>0</u>
<b>Subtotal</b>	<b>\$714,844</b>	<b>\$703,427</b>	<b>(\$11,417)</b>
<b>Workers' Compensation Premium Expenses</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>	<b>Difference</b>
Prospective claims payout	\$32,470,870	\$32,316,517	(\$154,353)
Third party administrator fees (Pinnacol)	2,400,000	2,006,490	(393,510)
CDLE surcharge	1,100,000	1,100,000	0
Litigation costs	500,000	500,000	0
Excess policy	343,700	343,700	0
DHS prior year claim payments	250,000	250,000	0
Miscellaneous fees (broker, etc.)	58,943	58,943	0
Loss control incentives	50,000	50,000	0
Actuarial services	32,500	32,500	0
CDLE permit	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<b>Recommended Appropriation, Workers' Compensation Premiums line item</b>	<b>\$37,208,013</b>	<b>\$36,660,150</b>	<b>(\$547,863)</b>
C-SEAP	995,398	753,521	(241,877)
Adjustment for targeted fund balance	<u>(449,330)</u>	<u>(449,330)</u>	<u>0</u>

Workers' Compensation Premiums			
Total Workers' Compensation Premiums line item costs to bill to departments	\$38,203,411	\$36,964,341	(\$789,740)

**Staff recommends an appropriation of \$36,964,341 reappropriated funds for the Workers' Compensation Premiums line item for FY 2010-11.**

**Explanation of recommended appropriation**

- Third party administrator fees: Contract fees charged by Pinnacol assurance for the costs of claim handling, loss control, and return to work services.
- CDLE surcharge: The Colorado Department of Labor and Employment (CDLE) Surcharge is required as a self-insured permit holder. The surcharge is calculated twice per year, and the cost is based on payroll data, broken down by hazard level. These moneys help to fund the Division of Workers' Compensation, Subsequent Injury Fund and the Major Medical Fund.
- Litigation costs: This amount is legal expenses charged by Pinnacol for the cost of contracting with outside legal counsel. It is comprised of costs associated with defense, investigation, surveillance, and subrogation work.
- DHS prior year claims payments: Charge for certain Department of Human Services institutions claims that were open when the Department joined the State risk pool. They are all permanent total disability claims. The costs are for continuing medical treatment and the indemnity for lost wages.
- Broker fees: Cost of contracting with Marsh, LLC, for excess workers' compensation coverage. The excess coverage is to protect the State in the event of a particularly large claim.
- Loss control incentives: Funds are used as incentives for agencies that are involved in the New Day Pilot Program.
- Excess policy: The insurance policy purchased to cover the possibility of a catastrophic workers' compensation loss. The policy is required by the Department of Labor and Employment's requirements for a self-insurance permit. The policy's cost is calculated on the State's payroll.
- C-SEAP: This program provides workplace counseling and other services to address workplace issues that may impede an employee's performance. The program also helps managers to improve productivity and curtail workplace risk issues before they become liabilities.

## **Explanation of difference between Department request and staff recommendation**

- ❑ Personal services: Staff's recommendation reflects the 2.5 percent reduction in the employer PERA contribution rates.
- ❑ Prospective claims payout: The Committee approved a component of the Department's August budget balancing package for a FY 2009-10 supplemental and a FY 2010-11 budget amendment that reduced the appropriation by \$154,353 to account for reduced claims payments. Staff did not see where this reduction was accounted for in the Department's request.
- ❑ Third party administrator fees (Pinnacol): The Committee approved a component of the Department's August budget balancing package that reduced the appropriation by \$393,510 to account for reduced third party administrator fees. Staff was unable to identify where the Department had incorporated this reduction into its request.
- ❑ C-SEAP: The Department's requested FY 2010-11 appropriation for the C-SEAP was \$753,521, after accounting for the 2.5 percent PERA reduction. During the Department's FY 2010-11 figure setting, the Committee approved the Department's request. It is unclear to staff how the Department arrived at the requested amount of \$995,398 that it wants to bill to user agencies. Staff's recommendation reflects the Committee's approved FY 2010-11 appropriation for this purpose, and includes the funds for personal services, operating expenses, and indirect costs.

## **Allocation of Risk Management appropriations amongst Departments**

Based on recoverable costs, staff recommends the Committee approve the following appropriations for departments. Staff recommends that JBC staff analysts work with their department counterparts to set fund splits.

<b>FY 2010-11 Recommendation: Department Appropriations for Risk Management</b>				
<b>Department</b>	<b>Total, Risk Management</b>	<b>Workers' Compensation</b>	<b>Liability Premiums</b>	<b>Property Premiums</b>
Agriculture	\$434,316	\$178,095	\$21,874	\$25,036
Corrections	14,693,189	6,065,207	963,642	335,463
Education	606,418	281,152	2,042	28,435
Governor	409,449	142,719	27,448	58,352
Health Care Policy & Financing	121,111	34,747	24,208	209
Higher Education	11,800,104	4,938,641	265,702	1,128,884
Human Services	20,541,556	9,659,080	340,658	176,707
Judicial	3,472,378	1,647,138	51,624	14,094
Labor & Employment	1,239,685	589,990	12,541	12,786
Law	161,845	50,863	27,416	1,426
Legislature	96,725	43,766	2,917	1,552
Local Affairs	109,587	49,163	3,792	1,618
Military Affairs	198,953	72,598	9,916	28,808
Natural Resources	4,035,120	1,722,323	155,746	195,866
Personnel & Administration	787,777	296,050	14,551	145,758
Public Health	755,917	330,463	28,291	23,515
Public Safety	6,614,258	2,947,142	278,826	38,848
Regulatory Agencies	220,770	81,100	25,666	2,414
Revenue	1,260,003	570,362	38,207	19,353
State	25,202	6,099	5,250	1,788
Transportation	16,492,091	7,256,536	615,984	426,326
Treasury	<u>2,916</u>	<u>1,109</u>	<u>292</u>	<u>51</u>
<b>FY 2010-11 Total Recomm.</b>	<b>\$42,548,222</b>	<b>\$36,964,341</b>	<b>\$2,916,592</b>	<b>\$2,667,289</b>

## ADMINISTRATIVE LAW JUDGE SERVICES

This division provides an independent administrative law adjudication system for State agencies in order to resolve cases that concern administrative and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Administrative law judges conduct hearings on the following matters: (1) workers' compensation; (2) public benefits cases (food stamps, TANF, Medicaid, etc.); (3) professional licensing board work involving the denial, revocation, or suspension of licensed professionals (such as doctors, nurses, architects, real estate brokers, engineers, etc.); (4) teacher dismissal cases; and (5) complaints that are filed under the Fair Campaign Practices Act.

The cost of providing administrative law judge services are allocated statewide, based upon the most recent actual fiscal year's utilization rates, so that a department's FY 2010-11 cost allocation is determined by its FY 2008-09 actual utilization amounts.

FY 2010-11 Billable Costs for Administrative Law Judge Services				
Item	FY 2009-10 Approp.	FY 2010-11 Request	FY 2010-11 Recomm.	Difference
Personal services	\$3,288,117	\$3,290,117	\$3,239,501	(\$50,616)
Indirect costs	341,313	258,320	258,320	0
Leased space - Denver, Colorado Springs	333,616	333,616	333,616	0
Health, life, and dental	217,623	207,499	201,575	(5,924)
Operating expenses	146,352	135,664	134,597	(1,067)
STD, AED, SAED	93,508	118,706	118,706	0
Risk management	72,957	4,330	4,330	0
Workers' compensation	50,915	34,429	33,297	(1,132)
Purchase of services from computer center <sup>1/</sup>	35,113	40,713	35,113	(5,600)
Leased space - Capitol Complex (Grand Junction)	12,201	12,204	12,204	0
MNT <sup>1/</sup>	7,580	19,309	19,309	0
OIT administration	0	3,565	3,565	0
Legal services <sup>1/</sup>	<u>426</u>	<u>426</u>	<u>426</u>	<u>0</u>
<b>Total</b>	<b>\$4,599,721</b>	<b>\$4,458,898</b>	<b>\$4,394,559</b>	<b>(\$64,339)</b>
1/ The Committee has not yet finalized the amounts for information technology statewide common policy line items and the legal services blended rate. If the final dollars differ from these amounts, staff requests permission to adjust the numbers to reflect the Committee's final actions.				

**Explanation of differences between Department request and staff recommendation:**

- ❑ Personal services: Staff's recommendation reflects the 2.5 percent reduction in the employer PERA contribution rates.
- ❑ Operating expenses: Incorporates the annualization of the mail equipment upgrade.
- ❑ Health, life, and dental: Staff's recommendation reflects how the Kaiser settlement dollars were applied to the State's health, life, and dental contribution rates.
- ❑ Workers' compensation: Reflects staff's recommendation for different billing rates across state agencies.
- ❑ Purchase of services from computer center: The Department's budget submission includes a dramatic increase for certain statewide costs that, upon further review, will most likely be reduced during the FY 2010-11 supplemental process. Staff recommends including the anticipated adjustment in the FY 2010-11 ALJ allocations.

<b>FY 2010-11 Staff Recommendation for Administrative Law Judge Services</b>				
<b>Department</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>	<b>Difference</b>
Corrections	\$3,841	\$4,525	\$4,461	(\$64)
Education	72,864	80,901	79,754	(1,147)
Health Care Policy & Financing	456,922	419,716	413,767	(5,949)
Higher Education	143	0	0	0
Human Services	1,007,557	803,767	792,374	(11,393)
Labor	2,610,443	2,587,503	2,550,825	(36,678)
Personnel and Administration	6,191	5,301	5,226	(75)
Public Health	25,160	44,763	44,128	(635)
Regulatory Agencies	324,818	304,779	300,459	(4,320)
Revenue	8,808	14,968	14,756	(212)
State	50,289	100,918	99,487	(1,431)
Transportation	11,269	111	107	(4)
Misc. school districts <sup>1/</sup>	<u>21,416</u>	<u>91,646</u>	<u>90,347</u>	<u>(1,299)</u>
<b>Total</b>	<b>\$4,599,721</b>	<b>\$4,458,898</b>	<b>\$4,395,691</b>	<b>(\$63,207)</b>

1/ School districts are not appropriated agencies and are included for informational purposes only.

**Staff recommends a total statewide appropriation of \$4,395,691. Staff also recommends that analysts work with the individual departments to calculate the fund splits for each agency's Administrative Law Judge Services line item.**

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## VEHICLE LEASE PAYMENTS

**Background:** In accordance with Section 24-30-1104 (2), C.R.S., the Department of Personnel and Administration is responsible for operating and maintaining the State's vehicle fleet. The State Fleet Management program (SFM) provides the following services: (1) purchases vehicles; (2) manages maintenance and repairs; (3) manages the fleet; (4) auctions older vehicles; and (5) manages the State Motor Pool. The SFM is funded by fees from user agencies that are deposited in the Motor Fleet Management Fund (see Section 24-30-1115 (1), C.R.S.).

- Appropriations for the Vehicle Lease Payments line items, typically located in each department's Executive Director's office, reflect the cost of lease payments for each respective agency's vehicles. The line item also includes a \$26.50 management fee that the Department assesses monthly for each vehicle, regardless of whether or not the lease has been paid in full. These funds are then transferred to the Department of Personnel and Administration's "Vehicle Replacement Lease, Purchase, or Lease/Purchase" line item as reappropriated funds.
- In general, the State Fleet Management program first assesses a vehicle for replacement once it has accrued 100,000 miles, with the exception of the Colorado State Patrol, which has historically targeted its vehicles for replacement at 80,000 miles. On average, non-patrol vehicles are replaced between 130,000 and 140,000 miles.

**Department Request:** The Department requests to replace 178 vehicles for FY 2010-11, including 153 vehicles within the Department of Public Safety. Due to the State's current budget constraints, the Department reports that it has requested to replace only those vehicles that present critical health, life, and safety concerns. In total, **the Department requests an additional \$2,549,157 reappropriated funds for its Vehicle Replacement Lease, Purchase, or Lease/Purchase line item.** This amount is comprised of the vehicle replacements and new vehicles, as well as an annualization of the new leases that were added for FY 2009-10.

The **Department also requests a total appropriation of \$16,233,973 to be allocated amongst state agencies** for their respective Vehicle Lease Payments line items for FY 2010-11. Staff notes that this amount does not include the new vehicles that the Committee approved during figure-setting for the Department of Corrections, the Department of Labor and Employment, and the Department of Public Safety. The Department also indicates that Higher Education and Transportation will spend \$3,161,119 on vehicle leases, but these departments do not have separate vehicle lease

appropriations.

The recommended number of replacement vehicles, by department, are reflected in the following table. It is followed by a table that illustrates which new vehicle requests were approved by the Committee.

<b>FY 2010-11 Vehicle Replacements</b>			
	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>	<b>Hybrid / E85</b>
<b>Dept of Public Safety</b>			
Motorcycles	4	4	
Large patrol	120	117	E85
Full-size patrol	15	15	
Small pick-up, 4x4	1	1	E85
SUV 4x4	12	12	E85
15-passenger van	<u>1</u>	<u>1</u>	E85
<i>Subtotal</i>	<i>153</i>	<i>150</i>	
<b>Public Health</b>			
Van	1	1	Hybrid
<b>Local Affairs</b>			
SUV 4x4, Large	1	1	Hybrid
<b>Natural Resources</b>			
3/4 ton truck, 4x4	9	9	No
1/2 ton truck, 4x4	8	8	E85
Dump truck	2	2	No
SUV, medium 4x4	<u>1</u>	<u>1</u>	No
<i>Subtotal</i>	<i>20</i>	<i>20</i>	
<b>Revenue</b>			
3/4 ton cargo van	3	3	No
<b>Total</b>	<b>178</b>	<b>175</b>	
<i>Hybrids</i>	<i>2</i>	<i>2</i>	
<i>E85</i>	<i>142</i>	<i>139</i>	

<b>FY 2010-11 Recommendation: New Vehicles</b>				
	<b>Vehicles</b>	<b>Cost / Month</b>	<b>Months</b>	<b>Total Cost</b>
<b>Corrections</b>				
SUV	1	\$736	4	\$2,944
15-passenger van	1	436	4	1,744
12-passenger van, handicap	1	436	4	1,744
1/2 ton truck	1	342	4	1,368
3/4 ton truck	1	342	4	1,368
1 ton truck	<u>1</u>	<u>417</u>	<u>4</u>	<u>1,668</u>
<i>Subtotal</i>	6	\$2,709	24	\$10,836
<b>Public Safety</b>				
State Patrol, Sedan	4	\$635	12	\$30,480
Division of Fire Safety	6	230	12	16,560
SUV	1	700	12	8,400
Sedan	<u>1</u>	<u>300</u>	<u>12</u>	<u>3,600</u>
<i>Subtotal</i>	12	1,865	48	\$59,040
<b><i>Subtotal, New Vehicles</i></b>	<b>18</b>	<b>\$4,574</b>	<b>72</b>	<b>\$69,876</b>
Labor - vehicles with no lease (paid in full) (management fee only)	2	0	12	\$636
<b>Total, New Vehicles<sup>1/</sup></b>	<b>20</b>	<b>\$4,574</b>	<b>84</b>	<b>\$70,512</b>
1/ Three of these vehicles are hybrids: (1) SUV for Corrections, (1) SUV for Public Safety, and (1) sedan for Public Safety.				

**Staff Recommendation: Staff recommends a total appropriation of \$16,599,436 to be allocated amongst the various departments that appropriate funds for Vehicle Lease Payment line items.** The following table includes staff's calculations. The last table reflects staff's recommendations for how the dollars are allocated to each department.

The replacement request results in a more significant net impact on both agency lease line appropriations and the State fleet line item appropriation than for prior years, because the number of replacement and new vehicles is greater than the number of leases that are ending. This reflects the significant reduction in replacement vehicles during the prior FY 2002-03 and FY 2003-04 economic downturn, because there are fewer vehicles coming off lease to offset any new leases.

<b>FY 2010-11 Vehicle Lease Recommendation for DPA and User Agencies</b>	
Final FY 2009-10 Appropriation	\$13,509,031
Non-appropriated vehicle lease payments	2,715,878
<b>Total estimated FY 2010-11 base request</b>	<b>\$16,224,909</b>
Leases ending for FY 2010-11	(193,543)
Annualize new FY 2009-10 leases for FY 2010-11	\$2,535,844
175 vehicle replacements	1,122,833
18 new vehicles for FY 2010-11	<u>70,512</u>
<b>Estimated FY 2010-11 Department appropriation</b>	<b>\$19,760,555</b>
FY 2010-11 non-appropriated vehicle lease payments <sup>1/</sup>	(3,161,119)
<b>Recommended FY 2010-11 Agency Allocations</b>	<b>\$16,599,436</b>
1/ Higher Education and Transportation do not have separate appropriations for vehicle lease payments.	

<b>FY 2010-11 Vehicle Lease Line Item Recommendation</b>				
<b>Department</b>	<b>Base Appropriation</b>	<b>Vehicle Replacements</b>	<b>New Vehicles</b>	<b>Total Appropriation</b>
Agriculture	\$229,445	\$0	\$0	\$229,445
Corrections	2,796,924	0	10,836	2,807,760
Education	32,039	0	0	32,039
Governor	119,438	0	0	119,438
Public Health	406,174	2,838	0	409,012
Human Services	1,001,577	0	0	1,001,577
Judicial	108,172	0	0	108,172
Labor and Employment	105,899	0	636	106,535
Law	72,813	0	0	72,813
Local Affairs	127,919	5,026	0	132,945
Military Affairs	52,446	0	0	52,446
Natural Resources	3,337,782	42,099	0	3,379,881
Personnel and	99,325	0	0	99,325
Public Safety	5,876,438	1,057,988	59,040	6,993,466
Regulatory Agencies	241,797	0	0	241,797
Revenue	500,090	12,225	0	512,315
State	2,861	0	0	2,861
<b>Total</b>	<b>\$16,233,973</b>	<b>\$1,120,176</b>	<b>\$70,512</b>	<b>\$16,301,827</b>

## CAPITOL COMPLEX LEASED SPACE

**Background:** Pursuant to Section 24-82-101, C.R.S., the Department of Personnel and Administration maintains the executive space owned and rented within the Capitol Complex. It also maintains the space occupied by the legislative branch, as well as facilities in Grand Junction and Camp George West. In total, the Department manages 1,244,261 square feet.

The Department is responsible for general maintenance of the plumbing, electrical, elevator, and HVAC (heating, ventilation, and air conditioning) systems. It is also responsible for custodial work and grounds maintenance. In Denver, the Department maintains ten addresses in what is termed the Capitol Hill Campus, one address in the North Campus, and two addresses in Lakewood. **Each of these campuses, although funded by the Capitol Complex program, have distinct rental rates that mirror the locations and uses of the various properties.** In the Capitol Complex group, the use of the buildings is considered commercial, while the other locations house industrial concerns for the state.

**Department Request:** The Department requests a total statewide appropriation of \$11,192,630, to be allocated amongst the departments for their respective Capitol Complex Leased Space line items.

**Staff Analysis:** As noted during a prior presentation for common policies, the Office of State Planning and Budgeting changed the format for submitting its total compensation and operating common policies. In the past, JBC staff were provided with supporting documents as a part of the initial request. OSPB's new policy is to provide a short narrative, then to provide the information on a piece by piece manner, in response to specific JBC staff requests for information. However, **JBC staff was unable to obtain the costs per square foot at the different facilities or the square foot allocation amongst agencies.**

- The FY 2010-11 request narrative states that "changes in individual department allocations are simply a function of the square footage and the rate charged per square foot at each location. If the rate decreases as a result of the items listed above, all departments can expect that their allocation decreased in a corresponding fashion." This statement indicates that **the cost per square foot, and the allocated square feet per department at each location, are core components necessary to analyze this statewide common policy.**
- Without these figures, staff is unable to reallocate costs to account for the 2.5 percent personal services PERA reduction and the increase in capitol complex security costs.

**Staff Recommendation:** **Staff recommends that the Committee approve OSPB's request,** because the anticipated differences between staff's recommendation and the Department's request are not significant enough to offset the impact of delaying the common policy figure setting. Staff also recommends that prior to the preparation of the FY 2011-12 budget requests, that JBC staff and OSPB reach a mutual understanding for reasonable expectations regarding the information that will be provided as a part of the statewide common policy budget requests.

The following table indicates how the OSPB allocated the funds amongst each department. **Staff recommends that each analyst work the departments to determine fund splits.**

<b>FY 2010-11 OSPB Request: Capitol Complex Leased Space Allocation by Department</b>						
<b>Department</b>	<b>Denver</b>	<b>Pierce Street</b>	<b>North Campus</b>	<b>Grand Junction</b>	<b>Camp George West</b>	<b>FY 2010-11 Request</b>
Agriculture	\$166,973	\$0	\$0	\$0	\$0	<b>\$166,973</b>
Corrections	0	0	0	0	129,915	<b>129,915</b>
Correctional Industries	0	0	0	0	36,671	<b>36,671</b>
Education	547,414	0	0	0	0	<b>547,414</b>
General Assembly	1,379,604	0	0	0	0	<b>1,379,604</b>
Governor	444,332	0	9,416	7,639	0	<b>461,388</b>
HCPF	388,227	0	0	0	0	<b>388,227</b>
Human Services	1,220,750	0	0	25,663	0	<b>1,246,413</b>
Law	1,252,757	0	0	0	0	<b>1,252,757</b>
Local Affairs	409,368	0	0	28,589	32,227	<b>470,185</b>
Military Affairs	0	0	0	0	89,200	<b>89,200</b>
Natural Resources	851,397	0	0	0	0	<b>851,397</b>
Personnel & Administration	675,505	0	306,558	12,062	0	<b>994,125</b>
Public Health	0	0	0	33,037	0	<b>33,037</b>
Public Safety	983,443	0	0	0	280,323	<b>1,263,765</b>
Regulatory Agencies	0	0	0	6,358	0	<b>6,358</b>
Revenue	918,824	626,452	27,567	48,523	0	<b>1,621,366</b>
Transportation	1,232	0	0	101,733	49,827	<b>152,792</b>
Treasury	53,949	0	0	0	0	<b>53,949</b>
Labor & Employment	0	0	21,106	10,707	0	<b>31,812</b>
CSU Forest Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,913</u>	<u>4,367</u>	<b><u>15,280</u></b>
<b>Total Billable Costs</b>	<b>\$9,293,776</b>	<b>\$626,452</b>	<b>\$364,648</b>	<b>\$285,224</b>	<b>\$622,531</b>	<b>\$11,192,630</b>

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## **HEALTH, LIFE, AND DENTAL**

**Background:** In June, 2008, the Colorado Division of Insurance and the Kaiser Foundation Health Plan of Colorado announced a settlement agreement under which Kaiser would provide \$155.0 million in financial relief to Kaiser policy holders. The settlement agreement was related to the amount of reserves that Kaiser had accrued while classified as a nonprofit entity. The State received \$3,354,593 for FY 2009-10, and it anticipates receiving an additional payment of \$3,354,593 during

FY 2010-11. The Department's August budget reduction package included a request to transfer the payment to the General Fund for FY 2009-10. The Committee flagged this item for future consideration.

- ❑ During a prior staff presentation for health, life, and dental benefits, the Committee expressed an interest in using some of Kaiser settlement dollars to reduce the employee's costs for health, life, and dental benefits.
- ❑ Staff's understanding of the Committee's initial action was that it intended to apply one of the \$3.3 million payments to reduce group benefit costs for State employees, and the second payment would be transferred to the General Fund during either FY 2009-10 or FY 2010-11 for budget balancing purposes.
- ❑ During the time since the August reduction package was submitted, the Office of the State Controller (OSC) indicated an interest in ensuring that the dollars were applied in a manner that satisfied certain federal requirements.
- ❑ As per the directions of the State Controller and the Department of Personnel and Administration, the entire \$6.7 million was applied towards reducing the employee's portion of health, life, and dental costs. In order to satisfy federal requirements, the funds were applied to reduce both the employer and employee premiums according to historical contribution percentages.
- ❑ A review of State and employee contribution rates indicates that the State contributes an average of 64.7 percent of the cost of group benefits, and employees contribute an average of 36.3 percent of the cost. Of the \$6.7 million, \$4.3 million was applied to offset State costs and \$2.36 million was applied to offset employee costs.
- ❑ The OSC stated that the funds must be applied to offset all fund sources. Of the \$4.3 million that was applied to reduce State expenditures, the **State will save \$1,981,179 General Fund in reduced appropriations for FY 2010-11**. Additional General Fund dollars were made available in Higher Education, but staff's understanding is that due to ARRA requirements, those dollars must be reinvested into other programs.
- ❑ According to the Department, between approximately \$4.00 and \$11.00 per month will be applied to offset employee costs, depending upon each individual's selected plan.
- ❑ Staff's revised calculations for Health, Life, and Dental appropriations are included in the following tables.

FY 2010-11 Health, Life, and Dental Requests					
Department	Total Funds	General Fund	Cash Funds	Reapp. Funds	Federal Funds
Agriculture	\$1,529,590	\$350,337	\$1,102,407	\$0	\$76,846
Offset approp. with Kaiser dollars	(\$36,626)	(\$8,389)	(\$26,397)	\$0	(\$1,840)
<b>Adjusted appropriation</b>	<b>1,492,964</b>	<b>\$341,948</b>	<b>\$1,076,010</b>	<b>\$0</b>	<b>\$75,006</b>
<i>OIT Consolidation</i>	<i>(40,665)</i>	<i>(28,413)</i>	<i>(12,252)</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>1,452,299</b>	<b>\$313,535</b>	<b>\$1,063,758</b>	<b>\$0</b>	<b>\$75,006</b>
Corrections	\$36,085,141	\$35,010,054	\$1,075,087	\$0	\$0
Offset approp. with Kaiser dollars	(\$829,958)	(\$805,231)	(\$24,727)	\$0	\$0
<b>Adjusted appropriation</b>	<b>35,255,183</b>	<b>\$34,204,823</b>	<b>\$1,050,360</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>(373,032)</i>	<i>(373,032)</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>34,882,151</b>	<b>\$33,831,791</b>	<b>\$1,050,360</b>	<b>\$0</b>	<b>\$0</b>
Education	\$2,868,182	\$1,363,445	\$207,453	\$319,674	\$977,610
Offset approp. with Kaiser dollars	(\$66,570)	(\$31,645)	(\$4,815)	(\$7,420)	(\$22,690)
<b>Adjusted appropriation</b>	<b>2,801,612</b>	<b>\$1,331,800</b>	<b>\$202,638</b>	<b>\$312,254</b>	<b>\$954,920</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$2,801,612</b>	<b>\$1,331,800</b>	<b>\$202,638</b>	<b>\$312,254</b>	<b>\$954,920</b>
Governor's Office	\$2,184,670	\$718,357	\$35,541	\$1,394,376	\$36,396
Offset approp. with Kaiser dollars	(\$39,230)	(\$12,899)	(\$638)	(\$25,039)	(\$654)
<b>Adjusted appropriation</b>	<b>2,145,440</b>	<b>\$705,458</b>	<b>\$34,903</b>	<b>\$1,369,337</b>	<b>\$35,742</b>
<i>OIT Consolidation</i>	<i>3,991,792</i>	<i>0</i>	<i>0</i>	<i>3,991,792</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$6,137,232</b>	<b>\$705,458</b>	<b>\$34,903</b>	<b>\$5,361,129</b>	<b>\$35,742</b>
HCPF	\$1,791,272	\$629,232	\$202,333	\$73,220	\$886,487
Offset approp. with Kaiser dollars	(\$33,052)	(\$11,610)	(\$3,733)	(\$1,351)	(\$16,357)
<b>Adjusted appropriation</b>	<b>1,758,220</b>	<b>\$617,622</b>	<b>\$198,600</b>	<b>\$71,869</b>	<b>\$870,130</b>
<i>OIT Consolidation</i>	<i>(111,403)</i>	<i>(27,112)</i>	<i>0</i>	<i>(57,178)</i>	<i>(27,113)</i>
<b>Appropriation after consolidation</b>	<b>\$1,646,817</b>	<b>\$590,510</b>	<b>\$198,600</b>	<b>\$14,691</b>	<b>\$843,017</b>
Higher Education 1/	\$920,276	\$0	\$634,865	\$194,130	\$91,281
<i>OIT Consolidation</i>	<i>(13,835)</i>	<i>0</i>	<i>(13,835)</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$906,441</b>	<b>\$0</b>	<b>\$621,030</b>	<b>\$194,130</b>	<b>\$91,281</b>
Human Services	\$23,372,884	\$13,959,918	\$385,715	\$5,656,943	\$3,370,308
Offset approp. with Kaiser dollars	(\$649,794)	(\$388,102)	(\$10,723)	(\$157,270)	(\$93,699)
<b>Adjusted appropriation</b>	<b>22,723,090</b>	<b>\$13,571,816</b>	<b>\$374,992</b>	<b>\$5,499,673</b>	<b>\$3,276,609</b>
<i>OIT Consolidation</i>	<i>(1,064,811)</i>	<i>(568,378)</i>	<i>(20,966)</i>	<i>(124,999)</i>	<i>(350,468)</i>
<b>Appropriation after consolidation</b>	<b>\$21,658,279</b>	<b>\$13,003,438</b>	<b>\$354,026</b>	<b>\$5,374,674</b>	<b>\$2,926,141</b>
Judicial	\$21,596,769	\$19,886,458	\$1,710,311	\$0	\$0
Offset approp. with Kaiser dollars	(\$506,409)	(\$466,305)	(\$40,104)	\$0	\$0
<b>Adjusted appropriation</b>	<b>21,090,360</b>	<b>\$19,420,153</b>	<b>\$1,670,207</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$21,090,360</b>	<b>\$19,420,153</b>	<b>\$1,670,207</b>	<b>\$0</b>	<b>\$0</b>

FY 2010-11 Health, Life, and Dental Requests					
Department	Total Funds	General Fund	Cash Funds	Reapp. Funds	Federal Funds
Labor & Employment	\$5,763,207	\$0	\$2,224,564	\$166,519	\$3,372,124
Offset approp. with Kaiser dollars	(\$129,966)	\$0	(\$50,166)	(\$3,755)	(\$76,045)
<b>Adjusted appropriation</b>	<b>5,633,241</b>	<b>\$0</b>	<b>\$2,174,398</b>	<b>\$162,764</b>	<b>\$3,296,079</b>
<i>OIT Consolidation</i>	<i>(366,213)</i>	<i>0</i>	<i>(168,458)</i>	<i>(7,324)</i>	<i>(190,431)</i>
<b>Appropriation after consolidation</b>	<b>\$5,267,028</b>	<b>\$0</b>	<b>\$2,005,940</b>	<b>\$155,440</b>	<b>\$3,105,648</b>
Law	\$2,010,140	\$520,702	\$174,019	\$1,265,799	\$49,620
Offset approp. with Kaiser dollars	(\$46,071)	(\$11,934)	(\$3,988)	(\$29,012)	(\$1,137)
<b>Adjusted appropriation</b>	<b>1,964,069</b>	<b>\$508,768</b>	<b>\$170,031</b>	<b>\$1,236,787</b>	<b>\$48,483</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$1,964,069</b>	<b>\$508,768</b>	<b>\$170,031</b>	<b>\$1,236,787</b>	<b>\$48,483</b>
Local Affairs	\$932,457	\$397,855	\$115,027	\$218,099	\$201,476
Offset approp. with Kaiser dollars	(\$23,179)	(\$9,890)	(\$2,859)	(\$5,422)	(\$5,008)
<b>Adjusted appropriation</b>	<b>909,278</b>	<b>\$387,965</b>	<b>\$112,168</b>	<b>\$212,677</b>	<b>\$196,468</b>
<i>OIT Consolidation</i>	<i>(42,505)</i>	<i>0</i>	<i>(5,617)</i>	<i>(24,194)</i>	<i>(12,694)</i>
<b>Appropriation after consolidation</b>	<b>\$866,773</b>	<b>\$387,965</b>	<b>\$106,551</b>	<b>\$188,483</b>	<b>\$183,774</b>
Military Affairs	\$544,063	\$167,615	\$226	\$0	\$376,222
Offset approp. with Kaiser dollars	(\$11,992)	(\$3,694)	(\$5)	\$0	(\$8,292)
<b>Adjusted appropriation</b>	<b>532,071</b>	<b>\$163,921</b>	<b>\$221</b>	<b>\$0</b>	<b>\$367,930</b>
<i>OIT Consolidation</i>	<i>(5,355)</i>	<i>(5,355)</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$526,716</b>	<b>\$158,566</b>	<b>\$221</b>	<b>\$0</b>	<b>\$367,930</b>
Natural Resources	\$8,840,014	\$1,842,892	\$5,644,096	\$334,568	\$1,018,458
Offset approp. with Kaiser dollars	(\$208,420)	(\$43,450)	(\$133,070)	(\$7,888)	(\$24,012)
<b>Adjusted appropriation</b>	<b>8,631,594</b>	<b>\$1,799,442</b>	<b>\$5,511,026</b>	<b>\$326,680</b>	<b>\$994,446</b>
<i>OIT Consolidation</i>	<i>(322,891)</i>	<i>(53,763)</i>	<i>(194,906)</i>	<i>(51,966)</i>	<i>(22,256)</i>
<b>Appropriation after consolidation</b>	<b>\$8,308,703</b>	<b>\$1,745,679</b>	<b>\$5,316,120</b>	<b>\$274,714</b>	<b>\$972,190</b>
Personnel	\$2,033,402	\$540,438	\$194,301	\$1,298,663	\$0
Offset approp. with Kaiser dollars	(\$58,064)	(\$15,432)	(\$5,548)	(\$37,083)	\$0
<b>Adjusted appropriation</b>	<b>1,975,338</b>	<b>\$525,006</b>	<b>\$188,753</b>	<b>\$1,261,580</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$1,975,338</b>	<b>\$525,006</b>	<b>\$188,753</b>	<b>\$1,261,580</b>	<b>\$0</b>
Public Health	\$6,730,815	\$519,829	\$2,203,804	\$756,767	\$3,250,415
Offset approp. with Kaiser dollars	(\$11,947)	(\$11,947)	\$0	\$0	\$0
<b>Adjusted appropriation</b>	<b>6,718,868</b>	<b>\$507,882</b>	<b>\$2,203,804</b>	<b>\$756,767</b>	<b>\$3,250,415</b>
<i>OIT Consolidation</i>	<i>(413,992)</i>	<i>(13,882)</i>	<i>(31,278)</i>	<i>(138,101)</i>	<i>(230,731)</i>
<b>Appropriation after consolidation</b>	<b>\$6,304,876</b>	<b>\$494,000</b>	<b>\$2,172,526</b>	<b>\$618,666</b>	<b>\$3,019,684</b>
Public Safety 2/	\$8,243,529	\$1,083,130	\$6,228,612	\$592,142	\$339,645
Offset approp. with Kaiser dollars	(\$194,445)	(\$25,548)	(\$146,918)	(\$13,967)	(\$8,011)
<b>Adjusted appropriation</b>	<b>8,049,084</b>	<b>\$1,057,582</b>	<b>\$6,081,694</b>	<b>\$578,175</b>	<b>\$331,634</b>
<i>OIT Consolidation</i>	<i>(215,238)</i>	<i>(117,358)</i>	<i>(82,177)</i>	<i>(15,703)</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$7,833,846</b>	<b>\$940,224</b>	<b>\$5,999,517</b>	<b>\$562,472</b>	<b>\$331,634</b>

FY 2010-11 Health, Life, and Dental Requests					
Department	Total Funds	General Fund	Cash Funds	Reapp. Funds	Federal Funds
Regulatory Agencies	\$2,773,371	\$88,709	\$2,337,504	\$305,295	\$41,863
Offset approp. with Kaiser dollars	(\$67,917)	(\$2,172)	(\$57,243)	(\$7,476)	(\$1,025)
<b>Adjusted appropriation</b>	<b>2,705,454</b>	<b>\$86,537</b>	<b>\$2,280,261</b>	<b>\$297,819</b>	<b>\$40,838</b>
<i>OIT Consolidation</i>	<i>(122,614)</i>	<i>0</i>	<i>0</i>	<i>(122,614)</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$2,582,840</b>	<b>\$86,537</b>	<b>\$2,280,261</b>	<b>\$175,205</b>	<b>\$40,838</b>
Revenue 3/	\$7,589,443	\$4,899,047	\$2,690,396	\$0	\$0
Offset approp. with Kaiser dollars	(\$185,789)	(\$119,928)	(\$65,861)	\$0	\$0
<b>Adjusted appropriation</b>	<b>7,403,654</b>	<b>\$4,779,119</b>	<b>\$2,624,535</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>(614,421)</i>	<i>(428,620)</i>	<i>(185,801)</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$6,789,233</b>	<b>\$4,350,499</b>	<b>\$2,438,734</b>	<b>\$0</b>	<b>\$0</b>
State	\$715,482	\$0	\$715,482	\$0	\$0
Offset approp. with Kaiser dollars	(\$14,704)	\$0	(\$14,704)	\$0	\$0
<b>Adjusted appropriation</b>	<b>700,778</b>	<b>\$0</b>	<b>\$700,778</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$700,778</b>	<b>\$0</b>	<b>\$700,778</b>	<b>\$0</b>	<b>\$0</b>
Transportation	\$1,024,555	\$0	\$1,024,555	\$0	\$0
Offset approp. with Kaiser dollars	(\$443,127)	\$0	(\$443,127)	\$0	\$0
<b>Adjusted appropriation</b>	<b>581,428</b>	<b>\$0</b>	<b>\$581,428</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>(471,266)</i>	<i>0</i>	<i>(471,266)</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$110,162</b>	<b>\$0</b>	<b>\$110,162</b>	<b>\$0</b>	<b>\$0</b>
Treasury	\$185,376	\$91,600	\$93,776	\$0	\$0
Offset approp. with Kaiser dollars	(\$3,075)	(\$1,519)	(\$1,556)	\$0	\$0
<b>Adjusted appropriation</b>	<b>182,301</b>	<b>\$90,081</b>	<b>\$92,220</b>	<b>\$0</b>	<b>\$0</b>
<i>OIT Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Appropriation after consolidation</b>	<b>\$182,301</b>	<b>\$90,081</b>	<b>\$92,220</b>	<b>\$0</b>	<b>\$0</b>
Health, Life, and Dental <i>reductions</i> due to OIT consolidation					
<b>Statewide Department Totals</b>	<b>(\$4,178,241)</b>	<b>(\$1,615,913)</b>	<b>(\$1,186,556)</b>	<b>(\$542,079)</b>	<b>(\$833,693)</b>
Health, Life, and Dental <i>transfers to OIT</i> for consolidation					
<b>Total after 10.0% personal services reduction</b>	<b>\$3,991,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,991,792</b>	<b>\$0</b>
<b>Statewide Total</b>	<b>\$133,987,853</b>	<b>\$78,484,007</b>	<b>\$26,777,334</b>	<b>\$15,730,225</b>	<b>\$12,996,287</b>

1/ The Kaiser funds will offset approximately \$597,000 for Higher Education's employee group benefits. However, staff's understanding is that ARRA regulations require any savings to be reinvested elsewhere in Higher Education.

2/ Of the cash fund appropriation, \$5,407,378 is HUTF.

3/ Of the cash fund appropriation, \$663,090 is HUTF.

Please note: This table does not include the Legislature and the non-appropriated funds for Higher Education. Also, the non-Executive agencies and the Legislature were not impacted by the OIT consolidation.