

**DEPARTMENT OF PERSONNEL AND ADMINISTRATION  
FY 2012-13 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Tuesday, January 10, 2012  
9:30 am – 12:00 pm**

**9:30-9:45     INTRODUCTIONS AND OPENING COMMENTS**

**9:45-10:30    TOTAL COMPENSATION (COMPENSATION-RELATED COMMON POLICY)**

1. *[Rep. Gerou]* Please explain the history of funding for Shift Differential, and the rationale for the FY 2012-13 request to fund Shift Differential at 80.0 percent of the FY 2010-11 actual expenditures.
2. *[Rep. Gerou, Sen. Steadman, Sen. Lambert]* Please summarize the proposal to allow state employees to enroll their eligible children in the Children's Basic Health Plan (CHP+), including background on the change in federal policy that allows this practice, the eligibility criteria, and the projected impact on expenditures for CHP+ and for state contributions to employee health plans. Is the Governor requesting that the Joint Budget Committee carry the legislation?
3. *[Sen. Lambert, Sen. Steadman]* Please provide some history on the pay date shift and the cost to undo it in total. Is the Governor requesting that the Joint Budget committee carry the legislation to undo the pay date shift for bi-weekly employees?
4. *[Sen. Steadman]* The JBC staff proposed some statutory changes to the FTE reporting requirements in Section 24-50-110 (1) (d), C.R.S. How many positions has the Department abolished pursuant to this statute? Does the executive branch support changing the FTE reporting requirements as proposed by the JBC staff?
5. *[Rep. Gerou]* The JBC staff described a number of problems with current FTE reporting procedures and possible solutions. Please respond to the JBC staff analysis and describe what the Department is doing to improve the accuracy, consistency, completeness, and accessibility of FTE information.
6. *[Sen. Lambert]* Briefly describe the findings of the Annual Compensation Survey Report. How accurate is the Annual Compensation Survey Report? Is the state just comparing itself to other government employers?
7. *[Rep. Ferrandino]* How could the Annual Compensation Survey Report be improved?

8. *[Rep. Ferrandino]* Please provide some demographic information about state employees, including the distribution of state employees along the pay range for each job class and the retention rate.
9. *[Sen. Lambert]* How many state government jobs have been lost as a result of the recent economic downturn? How does the Department factor the security of state jobs into the analysis of whether the state is providing the prevailing compensation?
10. *[Sen. Lambert]* How does the state retirement benefit compare to the prevailing compensation?
11. *[Sen. Lambert]* Is there an overall aggregation chart for the number of FTE in the common policy? What does the Department suggest is the optimal way to define and track FTE over time? What would it take to implement such a tracking system? How reliable would the system be if it was ultimately implemented?
12. *[Sen. Steadman]* How much would it cost to catch up with salary survey? Discuss total compensation and turnover rates statewide and how they relate? What is happening with Health, Life and Dental rates this year? If we were to hold employees harmless, how much would it cost?

#### **10:30-10:50 OPERATING COMMON POLICY**

##### **A. WORKERS' COMPENSATION AND RISK MANAGEMENT QUESTIONS**

13. *[Rep. Gerou]* Who is the carrier/third party administrator (TPA) for our state workers' comp? Has this recently changed? If so, why did it change?
14. *[Rep. Gerou]* Please present a comparison between the cost per transaction/responsibility as specified in the contracts for Broadspire and the previous TPA. How has the claims activity compared between the two carriers? Can that change in claims activity be directly related to the change in TPA? If not, what is the cause of any change in claims activity?

##### **B. FLEET MANAGEMENT QUESTIONS**

15. *[Rep. Levy]* Please describe the vehicle lease-purchase process. What is driving the growth in cost of fleet management services? The number of vehicles is not growing, but the cost is – why?

16. *[Rep. Liston]* Does the state have central facilities for fuel? Please describe the placement of and access to fuel facilities for state vehicles. Does Fleet Management purchase fuel in bulk? Is there a discount on the rate paid for fuel because of the amount purchased? What is the process for fuel contracts and who is responsible for it?
17. *[Sen. White]* What is the status of the purchase of compressed natural gas and related vehicles? How much of the fleet has been converted to compressed natural gas? Does the lack of fuel stations impact this effort? What is the plan for compressed natural gas vehicles? What percentage of the fleet does the Department plan to convert to natural gas? What process will this conversion take?
18. *[Sen. Lambert]* Is the Department in compliance with reporting requirements specified in S.B. 09-092, located in Section 24-30-1104 (2) (c) (II), C.R.S., on compressed natural gas vehicles?
19. *[Rep. Gerou]* How many 4-wheel-drive vehicles are in CSP and are non-CSP? Is there priority given to CSP vehicles? In what way? Are they replaced at a lower mileage? Please explain the vehicle replacement priority process.
20. *[Sen. Lambert]* Where in the process is the Department in implementing rules changes regarding the use of state vehicles for commuting? Please provide a thorough update. Please include data on the numbers of approved commuters by department.

**10:50-11:00 BREAK**

**11:00-11:50 BRIEFING ISSUES**

**A. PERFORMANCE-BASED GOALS AND BUDGET REQUEST (ALL DEPARTMENTS)**

21. *[Rep. Gerou]* Please describe the process the Department used to develop its strategic plan.

**B. PERFORMANCE-BASED GOALS AND BUDGET REQUEST (DPA-SPECIFIC)**

22. *[Rep. Gerou]* Why do the benchmarks start in FY 09-10? Does the Department have information going further back? Please provide more data (at least five years, since FY 2007-08) for the goals and objectives.

23. *[Rep. Gerou]* Please speak to how the increase in FTE over recent years has impacted Department efficiency and effectiveness in managing the state's HR system?
24. *[Sen. Lambert]* When the Department's strategic plan goes to the committee of reference there will be a lot of discussion about whether these are appropriate performance measures; some are more a measure of whether the General Assembly funds requested items than a measure of how the Department is meeting its responsibilities. Please provide information on the mission of the Department and its various divisions.
25. *[Sen. Lambert]* On page 13 of the strategic plan, Finance and Procurement, why has the Department selected performance measures that are TBD or NA? Regarding the purchasing agreement or interstate compact with a number of western states, is Nevada the office of primary responsibility for this compact? Do we have to pay Nevada two percent of all our purchases as a result? How was this compact or agreement implemented and under what authority? Does it require more use of out-of-state contractors and fewer Colorado contractors? Please explain the advantage and disadvantages to the state of this agreement.
26. *[Rep. Gerou]* Are performance measures with TBD and NA new programs that were implemented this year and that is why they have TBD or NA? Please clarify the goals and the process followed to set the goals.
27. *[Rep. Levy]* On page 14 of the briefing document, the table regarding the performance measure for training – Why is marketing an appropriate measure rather than measuring the efficacy of the training itself?
28. *[Rep. Gerou]* What are the Department's challenges and goals in trying to have other departments and customer agencies use its services rather than external services?
29. *[Sen. Steadman]* If the Department is including the performance measure regarding moving the state's workforce to 100 percent of prevailing compensation – which appears to be more of a performance measure of the JBC or the General Assembly, why isn't there a decision item in the budget request to fund a 7.1 percent salary survey increase before the JBC? How much would funding this level of a salary survey increase cost?
30. *[Rep. Gerou]* Do any of the Department's goals and objectives included in the strategic plan seek to correct outstanding audit issues? If so, which ones and in what ways? If not, why not? What would it take to comply with the outstanding audit issues?

31. *[Rep. Levy]* How do the risk management benchmarks relate to private sector experience? Is the state doing the same, better, or worse than the workers compensation claims experience of the private sector? Please provide information regarding workers compensation claims experience for various job or industry types that are equivalent or relate to particular occupations, services, and responsibilities of various departments and state agencies, in order to better compare how the state is doing in this area.

### **C. WORKERS' COMPENSATION LOSS CONTROL REQUEST**

32. *[Rep. Gerou]* Did the General Assembly have input in the change in workers' compensation carrier/TPA? When the state was a Pinnacol customer, did the state receive dividends at the end of the year?

33. *[Sen. Steadman]* When Pinnacol was the TPA, what did it cost the state to provide loss control services? How does this compare to the Department's request? Why does the Department think it can do loss control training and services more effectively at a lower cost?

34. *[Rep. Gerou]* How will the Department's training differ from that provided by Pinnacol?

35. *[Rep. Levy]* What type of analysis did the Department use to determine that it could provide the required training? How will the Department determine where to best focus loss control training if the Department is not the TPA?

36. *[Rep. Gerou]* Are there any implications with regard to increased liability if the state does its own training (i.e., if the Department provides training internally, can a worker potentially win a claim or receive a higher award by saying that the Department did not train the worker adequately)?

### **D. R-2 AND R-4 – CUBS REPLACEMENT AND OAC E-FILING SYSTEM**

#### **CUBS**

37. *[Sen. Steadman]* Why is this system so inexpensive to replace relative to usual IT requests? What process did the Department use to select the system it is recommending? How does this system compare in cost to others that were considered? How many total systems were reviewed before deciding on the requested system?

## **OAC E-FILING**

38. *[Sen. Steadman]* What is the source of funds from Human Services, the Department of Labor and other customer agencies that will pay for the increased ALJ services fees?
39. *[Sen. Lambert]* Why is the OAC in DPA and not a part of the Judicial Branch? How was this authority determined, and why are they in DPA? What is the benefit of having an OAC?
40. *[Sen. Lambert]* Does OIT have a road map for prioritizing IT systems replacement? If so, how do these IT requests fit into that plan? Why aren't these requests made through the OIT budget? Why do they still reside in the Department rather than OIT?

## **E. R-1 – LINE ITEM CONSOLIDATION**

41. *[Rep. Gerou]* Please discuss the reasoning behind the requested consolidation of line items.
42. *[Rep. Levy]* Regarding the Facilities Maintenance budget groups, will the JBC still be able to determine if campuses or facilities will have additional costs that make it less worthwhile to keep them open? Will the Department provide cost reporting for the various campuses if their line items are consolidated?

## **11:50-11:55 QUESTIONS COMMON TO ALL DEPARTMENTS**

43. *[JBC Members]* Please explain why the department has audit recommendations that have not been fully implemented after extended periods of time. What are the obstacles the department has faced in implementing recommendations? How does it plan to address outstanding audit findings? If applicable, please focus on those financial audit findings classified as "material weakness" or "significant deficiency".
44. *[Sen. Steadman]* How does the Department define FTE? Is the Department using more FTE than are appropriated to the Department in the Long Bill and Special Bills? How many vacant FTE does the Department have for FY 2009-10 and FY 2010-11?

## **11:55-12:00 ADDITIONAL QUESTION REGARDING STATEWIDE LEASING**

45. *[Rep. Gerou, Sen. Lambert]* Please describe how leasing of buildings is managed on a statewide basis. How many departments are authorized to do this outside of the office of real estate?

**ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED**

1. *[Rep. Gerou, Rep. Ferrandino]* What is the Department's entire Information Technology (IT) budget for FY 2011-12 and FY 2012-13? Does the Office of Information Technology (OIT) manage the Department's entire IT budget? If not, what IT activities is the Department managing separate from OIT and what percentage is that of the entire IT budget for the Department for FY 2011-12 and FY 2012-13? Of the IT activities the Department still manages outside of OIT, what could be moved to OIT?
2. *[Rep. Tyler]* What hardware/software systems, if any, is the Department purchasing independently of the Office of Information Technology (OIT)? If the Department is making such purchases, explain why these purchases are being made outside of OIT?
3. *[Rep. Gerou]* Please list and briefly describe any programs that the Department administers or services that the Department provides that directly benefit public schools (e.g., school based health clinics, educator preparation programs, interest-free cash flow loan program, etc.).