

Department of Personnel and Administration

**FY 2026-27 Joint Budget
Committee Hearing Agenda**

Thursday, December 18, 2025

10:00 am – 12:00 pm

10:00 am – 10:05 am Introductions and Opening Comments

Presenter: Tony Gherardini, Executive Director; Vince Scarsbrook, CFO; Lauren Gilliland, Budget Director

Topics:

- Department Overview: Slides 3-5

10:05 am – 10:25 am Budget Request Decision Items

Main Presenters:

- Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, CFO
- Lauren Gilliland, Budget Director

Topics:

- Operating Decision Item Overview: Slides 6-7
- R1 CORE Payroll Staffing: Page 2, Question 1 in the packet, Slides 8-10
- R6 Statewide Training System Continuation: Page 4, Questions 2-3 in the packet, Slides 11-12
- R7 State Employee Housing Pilot Program: Page 5, Questions 4-10 in the packet, Slides 13-17
- R9 DPA Funding Reductions and Offsets: Page 9, Question 11 in the packet, Slides 18-19
- Remaining Decision Items: Slide 20

10:25 am – 10:45 am Operating Common Policies

Main Presenters:

- Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, CFO
- Lauren Gilliland, Budget Director

Topics:

- Workers' Compensation: Page 10, Question 12 in the packet, Slide 22
- Capital Complex Leased Space: Page 12, Questions 13-14 in the packet, Slides 23-25

10:45 am – 11:30 am Health, Life, Dental Increases (Total Comp. CPs)

Main Presenters:

- Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, CFO
- Lauren Gilliland, Budget Director

Topics:

- GLP-1 Costs over time: Page 14, Question 15 in the packet, Slide 27
- GLP-1 Benefits over time: Page 15, Question 16 in the packet, Slide 28
- HLD Premium Comparison: Page 16, Question 17 in the packet, Slide 29
- Encouraging Healthy Lifestyles: Page 17, Question 18 in the packet, Slide 30

11:30 am – 11:35 am ULAED Contribution Rate Reduction (Total Comp. CPs)

Main Presenters:

- Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, CFO
- Lauren Gilliland, Budget Director

Topics:

- Request Details and Options for Reducing Only General Fund: Page 19, Questions 19-20 in the packet, Slides 31-32

11:35 am – 12:00 pm Budget Reduction Proposals and P3

Main Presenters:

- Tony Gherardini, Executive Director

Supporting Presenters:

- Vince Scarsbrook, CFO
- Lauren Gilliland, Budget Director

Topics:

- Unused State-Owned Real Property Fund Transfer: Page 20, Question 21 in the packet, Slides 34-35
- End Burnham Yard Demolition and Cleanup ARPA Program Early: Page 21, Questions 22-23 in the packet, Slides 36-37
- P3 Glo Park/Pleasant View: Page 23, Question 24, Slide 38
- End Round 1 and 2 State Capital Facilities Project Funding ARPA Programs Early: Page 23, Question 25 in the packet, Slide 39
- Eliminate Funding for ADA Coordinator and Reasonable Accommodations: Page 24, Question 26 in the packet, Slide 40
- Repeal State Procurement Equity Program: Page 25, Questions 27-29 in the packet, Slides 41-43
- Other JBC staff-identified revenue enhancements and expenditure reductions: Page 33, Question 30 in the packet, Slides 44-56

Department of Personnel
FY 2026-27 Joint Budget
Committee Hearing

Thursday, December 18, 2025

10:00 am – 12:00 pm

Common question For Department Hearings (Written-only Response)

1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:

a. What is the total amount budgeted and expended on advertising and media placement type?

Response: The Department has not budgeted for or expended any funds on advertising in the current and prior fiscal year.

b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

Response: N/A

c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

Response: N/A

d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

Response: N/A

e. If any portion of advertising is managed through third-party vendors (or 'partners';) or media buying firms, please provide any available data or reporting

from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

Response: N/A

f. Monthly or quarterly reporting - how is reporting delivered?

Response: N/A

Budget Request Decision Items

R1 State Payroll System Common Policy

CORE Payroll implementation update

1. *[Sen. Bridges/Rep. Brown]* Please discuss the background, development, and deployment schedule for the new state payroll system (CORE Payroll).

Response:

Background

- May 2022 DPA hired Payroll Modernization Product Owner.
- September 2022 - DPA published a Request for Information for vendors to provide feedback and reviewed responses.
- October - December 2022 - DPA held workshops with agencies to elicit requirements.
- January 2023 - DPA published the Invitation to Negotiate (ITN) to procure the new payroll system.
- March 2023 - Procurement closed and vendor selection began.
- April - August 2023 - Vendor evaluations to select the new payroll platform included written proposals, demonstrations, vendor bake off, and reference checks.
- September - February 2024 - Vendor negotiations and contracting
- April 2024 - Payroll Contract signed.

Development

- May - June 2024 - Planning with vendor.
- July - present - Agile sprints to configure system and convert data.

Deployment Schedule

- Currently DPA is testing and refining the payroll calculation and working with agencies to increase the completeness and accuracy of data conversion.
- Train-the-trainer is currently being delivered.
- One of four planned mock conversions has been completed.
- Four parallel payroll tests are currently planned but not started.
- January 2025 is the target to start user acceptance testing.
- Go live is being evaluated for spring 2026 but is dependent on the results of forthcoming testing.

a. What is the anticipated return on investment for this IT system?

Response: While it is difficult to fully quantify the return on investment until we are further into testing, these are some areas we foresee:

Risk Mitigation: The current legacy system runs on mainframe hardware. The risk of an outage or failure would disrupt the ability to pay State employees. The new system is cloud-based and vendor-hosted in a StateRAMP certified environment with redundancy and disaster recovery capability, which also eliminates the high mainframe operating cost of approximately \$3.2M annually.

Reduced Payroll Processing Time: Today agency payroll staff spend at least two days per month working through the legacy labor allocation system. In the future this will be more automated.

Reduced Error/Rework Costs: Reducing manual errors will lead to less time spent on error correction and off-cycle payments. We will reduce the need to issue manual checks by automating more of the integrations from time and leave systems to reduce late time entries. Another area we expect to improve is in overpayments, because the new system will enforce pay and deduction policies so employees only earn the allowable pay.

Printing and Distribution Costs: By modernizing Employee Self Service, so that it does not require VPN, we expect to reduce printing and mailing costs as employees can easily access paperless pay stubs and tax forms.

Productivity Gains (Employee Self-Service): We will also reduce the burden on agency teams when employees can manage their own data (e.g., changing address, accessing pay stubs) instead of contacting HR/Payroll.

User Satisfaction/Retention: We are also implementing a robust and sustainable training program for users that will improve consistency, compliance, and user satisfaction.

- b. Will the system require additional functionality development in the near-term? If so, what features and functionality are anticipated and what is the targeted deployment date for this development?

Response: The minimum viable product (MVP) for go live will deliver essential payroll capabilities. After go live, the project team plans several months for stabilization to address any immediate issues from the cutover and to implement software updates from the vendor. This period will effectively be a “code freeze” during which net new functionality will not be implemented.

A backlog of future enhancements has been identified and includes items such as enhanced workflow to delegate more functionality to agency payroll teams while maintaining central oversight. Other items in the backlog include expanding reporting for HR functionality. The priorities in the backlog are continuously informed by user feedback.

R6 Statewide Training System Continuation

2. *[Rep. Taggart]* Please clarify the distinction between the two different Cornerstone licenses the Department is requesting funds for, and the number of current employees using each system.

Response: The two license types are the Cornerstone Content Anytime platform and the Learning Management System (LMS)/ Learning Experience Platform (LXP). The LMS/LXP is where the department offers State created content and mandatory compliance training, while the Cornerstone Content Anytime platform offers a broader library of third party created training content.

The Department is requesting 34,000 licenses for the LMS/LXP. This total covers approximately 32,564 existing users and includes a nominal buffer of 1,436 licenses for new hires as well as labor relations training for Institutes of Higher Education (IHE) employees. This system is essential for managing, tracking, and delivering statewide training, and it gives users access to mandatory compliance trainings required by statute.

The LMS/ LXP function as complementary components of a single learning ecosystem. The LMS provides the backend structure required for compliance, certifications, and robust reporting, while the LXP offers a simplified, user-friendly interface where employees access required training, manage their learning, and follow guided learning pathways.

The additional 3,000 licenses are for Cornerstone Content Anytime, which exists in the learning ecosystem, provides a range of learning courses and online training resources. This content includes topics such as leadership effectiveness, data security, project management, and managing difficult conversations. The request covers 3,000 licenses, which includes approximately 1,000 existing users plus licenses to support nominal growth as DPA provides access to these products to additional users throughout the workforce.

3. *[Rep. Sirota]* If about 26,000 State employees have completed trainings on Cornerstone since the software was purchased, why does the Department need to renew/purchase 34,000 licenses?

Response: The Department currently has an active utilization of 26,309 users. This represents approximately 81% of the total current user base who are in compliance and have logged into the system to complete training. DPA's total current user base is 32,564, which includes all employees across all agencies who are required to have a license for mandatory training. Our request for 34,000 licenses ensures sufficient licenses are available for new hires across all agencies and for employees of Institutions of Higher Education who are not already in the system. This platform provides employee access and completion data for statutorily required compliance training and multiple other trainings that are required by the Partnership Agreement. .

It is important to note, that while 81% of employees have accessed the LXP, it is not accurate to interpret the remaining 19% as non-compliant. Access rates are influenced by the timing within the compliance cycle, employee transitions between agencies, and technical barriers as the State is still in transition to use of this system by all agencies.

R7 State Employee Housing Pilot Program

4. *[Sen. Amabile]* If CSEAP expands the emergency financial assistance grants to State employees, who would qualify for the financial assistance? What would the eligibility criteria be? How will participants be selected in an equitable way?

Response: CSEAP uses the following qualifying criteria to evaluate grant applications for assistance with basic needs (housing, food, utilities) in an equitable manner:

- Verified State employment for at least 6 months;
- Income criteria based upon household size and;
- Department of Housing and Urban Development (HUD) criteria, which can be found here: https://www.huduser.gov/portal/datasets/mtsp.html#data_2025;

If funds are available through legislative approval, the criteria above will remain the primary factors analyzed to determine appropriateness of granting emergency funds to employees in need.

5. *[Sen. Amabile]* For the emergency financial assistance grants provided by the Credit Union of Colorado, why did the Credit Union start providing grant assistance to State employees? How does the current version of the financial assistance program interact with CSEAP, and what is the role and/or requirements for the State?

Response: The Credit Union of Colorado, founded in 1934, was "originally known as the Colorado State Employees Credit Union and [served] only active State employees (<https://www.cuofco.org/about-us>)." Between 1989 and 2007, the Credit Union expanded its membership, moving away from the original mission of exclusively serving State employees. The Credit Union formed the Credit Union of Colorado Foundation in 2012 with a focus on providing "emergency human services." In their effort to maintain a connection to its original clientele (State employees), the foundation partnered with CSEAP to provide charitable emergency grants to State employees in need.

Currently, the Credit Union of Colorado makes an annual allocation of funds to State employees through CSEAP. These charitable funds - scheduled to end in January 2026 - are set aside by the Credit Union foundation specifically for emergency grants to State employees. CSEAP has developed consistent applicant qualification standards over recent years with the endorsement of the Credit Union. CSEAP accepts and reviews all applications and recommends applications for funding while the Credit Union administers the funds. Additionally, CSEAP has promoted the service through outreach directly to employees and through human resources units. As the funder, the Credit Union ultimately decides the total amount of funds to be made available annually and whether funds will be granted to requesting employees.

6. *[Rep. Brown]* Are the financial assistance grants provided in an emergency? If so, what constitutes an emergency? What kind of situations put State employees in a position to need emergency financial assistance grants?

Response: CSEAP most typically provides financial assistance in situations of employee-identified emergencies. Employee-identified emergencies are typically personal in nature and typically include requests for assistance Employees most often experience urgent or "emergency" situations when the following occur:

- Unexpected expenses associated with health (new diagnosis, unanticipated surgery and/or medications, etc.);
- Lacking community resources (limited and costly housing options or higher cost of living - including rent - in rural areas);

- Personal disasters (death of additional household earner, domestic violence, damage to home, etc.); or,
- Natural/health disasters (wide-scale fire or flooding, pandemic, etc.).

While most financial assistance grants are in response to unique one-time requests from employees, CSEAP receives repeat requests from the same employee(s) on rare occasions. In these situations, referrals are made to other CSEAP or community services providing financial education or other financial resources to employees.

7. *[Rep. Taggart]* Why is the Department proceeding with a grant program prior to conducting a needs assessment on the need for housing financial assistance among State employees?

Response: This request contains two distinct lines of work. First, to continue the Credit Union Employee Assistance Grant program, moving administration to CSEAP. Second, to conduct a needs assessment and launch an extension of the grant program for housing assistance.

The workgroup's charge between March-July 2025 was to “explore opportunities to address housing availability and affordability issues for State Employees. Potential solutions for consideration may include State-sponsored housing vouchers, State Employee assistance programs, and similar programs to help Employees in high cost housing areas access these services.” The workgroup focused on existing data from employee surveys and the opportunity to extend an existing, well utilized program.

The 2024 COWINS bargaining survey indicated that 57% of the 1,700 respondents identified housing as their biggest challenge. Additionally, the workgroup learned that the existing emergency assistance fund, provided by the Credit Union of Colorado, would cease on December 31, 2025. These two data points, along with presentations from the Department of Local Affairs and the Governor’s Senior Housing Advisor, led the workgroup to prioritize continuing the emergency assistance fund beyond 2025, and conducting more thorough needs assessment. The funds requested for FY 2026-27 represent the true start of a pilot program on housing assistance. The results of this program will better inform both parties' conversations regarding State employee housing needs during the 2027 Partnership Agreement negotiations, set to begin in June 2027.

Full funding will ensure a timely and linear process, starting with the needs assessment and followed by program implementation. The emergency financial assistance funds component of this request is separate from the employer-assisted housing funds, though both would be managed by the same CSEAP team.

The initial application of legislatively-approved funds will include the completion of a needs assessment regarding employer-assisted housing, in addition to continuation of emergency financial assistance, and the continued limited provision of financial coaching and resource consultations. We project completing the needs assessment within the initial year of approved funding. A term-limited FTE or vendor to implement a needs assessment would be covered through a portion of the \$388,225 FTE costs in each potential funding scenario listed below.

	Scenario 1 400/50	Per Person Amount	FY 2026-27 Cost	Scenario 2 500/30	Per Person Amount	FY 2026-27 Cost	Scenario 3 450/40	Per Person Amount	FY 2026-27 Cost
Number Granted Financial Assistance	400	\$1,962	\$784,936	500	\$1,962	\$981,170	450	\$1,962	\$883,053
Number Granted Employer Assisted Housing	50	\$10,000	\$500,000	30	\$10,000	\$300,000	40	\$10,000	\$400,000
FTE Costs	3	n/a	\$388,225	3	n/a	\$388,225	3	n/a	\$388,225
Total Program Cost	\$1,673,161			\$1,669,395			\$1,671,278		
Total number served	450			530			490		

8. *[Sen. Amabile]* Please provide details on the proposed homeowner downpayment assistance program. Are there other creative ways to provide downpayment assistance that would not cost the State, but instead generate a return (e.g. teacher housing bill from 2025).

Response: Based upon needs assessment data collected by CSEAP (see above), a program structure will be developed. While down payment cash assistance is the most typical form of employer housing assistance, needs assessment data may help identify additional or more prudent strategies. The strategies chosen for program implementation will determine additional - and potentially creative ways - to administer this program.

9. *[Rep. Sirota]* How will an Employer Assistance Housing (EAH) program be scaled? What is the demonstrated need of the program? What would be the costs of scaling the program beyond the pilot to any/all State employees that need assistance?

Response: The Department plans to engage in a needs assessment process before specifically implementing an employer-assisted housing program. Initial funds will cover the hiring of term-limited staff or a vendor to conduct this needs assessment.

The most recent documented average annual salary for the State classified workforce is \$71,508, which can be found here:

https://dhr.colorado.gov/sites/dhr/files/documents/_DPA_DHR_Workforce_Report_FY23-24-UA.pdf. However, the 2025 Bankrate Housing Affordability Study (accessible at <https://www.bankrate.com/mortgages/home-affordability-report/>) indicates that Colorado homebuyers need an income of nearly \$169,000 to afford a typical home. Per the State Workforce Report (linked above) there are clearly many State employees who could qualify for home purchase and could benefit from a boost in order to meet small yet achievable gaps creating a barrier to homeownership.

The cost of scaling the program will depend on available funds and program structure. It is not anticipated that such a program will be able to meet the request of every State employee. Ultimately, the cost and ability to scale the program will depend on the number of annual qualifying requests and the available funds to meet those requests.

10. *[Sen. Bridges]* Would any changes to the housing pilot program, as requested, force a reopening of the COWINS Partnership Agreement? Please explain what the repercussions would be of the General Assembly not funding this program.

Response: Article 33.1 of the Partnership Agreement (collective bargaining agreement) states, “if the General Assembly rejects any part of the (initial or supplemental) request, or while accepting the requests takes any action which would result in a modification of the terms of the cost item submitted to it, either party may reopen negotiations concerning economic issues.” This provision does not mandate a reopening, but it grants either party the right to reopen negotiations on any modified or unfunded economic items.

R9 Funding Reductions and Offsets

11. *[Rep. Sirota]* Please explain what the General Assembly would absolutely need to fund this year for the Statewide Planning program in the Office of the State Architect, given that the Department operated the program with \$8,000 in FY 2025-26. What is the bare minimum given the available revenues and roll-forward funds. How did the Department determine the requested FY 2026-27 appropriation of \$383,420?

Response: Per C.R.S. 2-3-1304.6, and C.R.S. 24-1-136.5 Capital Construction projects should only be funded if they are included in an Office of the State Architect’s (OSA) approved Facility Master Plan or Facility Program Plan. The OSA cannot reliably predict the volume of Facility Master Plans or Program Plans requested annually, as they are only required when an agency intends to request capital construction spending. Given that these plans often take 12–14 months to complete, agencies must request planning funding at least one year before they anticipate seeking capital construction funding.

Based on the July 2025 CCCR Agency 5-Year Plans, there are on average 10 capital project requests per year, all of which should have Facility Program Plans. OSAs estimated need is \$1,244,985 (calculated using an average cost of \$116,900 per plan plus 6.5% inflation). However current demand has not met expectations. The OSA is often asked to grant planning waivers because agencies do not fulfill the statutory requirement of submitting their requisite plans. Based on current demand, the OSA would anticipate requests for Master Plans, Program Plans and other minor analysis for an FY 2026-27 request of \$383,420.

Because of the roll-forward capability granted in the Long Bill each year, the OSA has been able to reduce our planning fund needs from prior year appropriations. As the Department uses the remaining funds from the oldest appropriation first, it is still spending funds from FY 2023-24 and FY 2024-25. It is believed the department will be able to continue this practice for one more fiscal year. Without available planning funds, agencies will need to request planning funds through the Capital Construction Fund.

Operating Common Policies Questions

Workers' Compensation

12. *[Reps. Sirota and Taggart]* Please discuss recent trends in workers' compensation claims payouts.
- a. Are recent fiscal year claims expenditures in line with or divergent from these trends?

National workers compensation trends vary widely across industry and state. Some have seen favorable trends, while others, including in high cost of living areas, have seen unfavorable trends. During COVID, Colorado and other employers experienced a reduction in workers compensation claims for non-COVID related injuries. However, as staff returned to the office, the number of injury claims has increased.

Across the nation, states and employers have been impacted by new legislation either increasing or reducing exposure. As of July 2025, the National Council on Compensation Insurance (NCCI) was tracking 950 State and Federal Bills. In Colorado, Senate Bill 24-149 has introduced a departure for the typical workers compensation process and is still in a preliminary phase for tracking outcomes.

National Council on Compensation Insurance 2025 Trends Report:

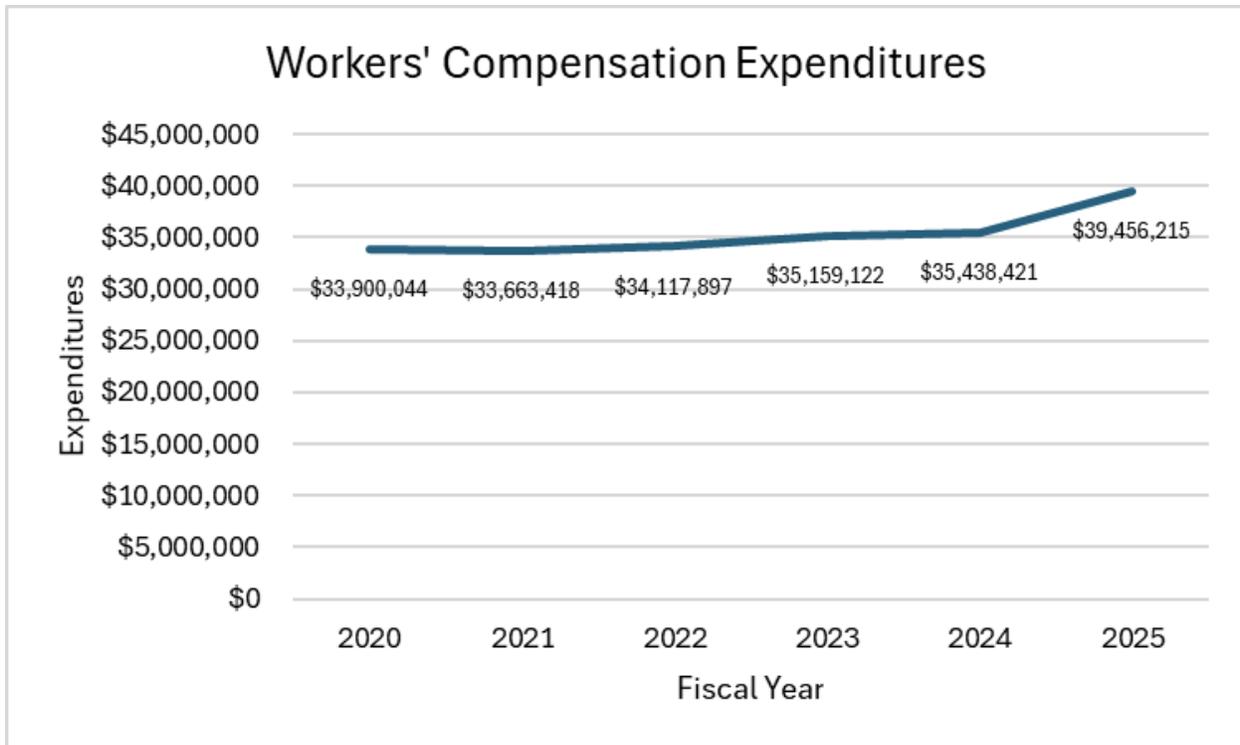
https://www.ncci.com/SecureDocuments/Industry_Trend_Report_Final.html

https://www.ncci.com/Articles/Documents/II_Legislative-Regulatory-Trends2025.pdf

<https://www.reuters.com/legal/legalindustry/changes-state-workers-compensation-insurance-rates-laws-reflect-national-trends-2025-01-07/>

b. What are the factors driving these trends?

Response: The below chart shows workers' compensation expenditures from Fiscal Year 2019-20 through Fiscal Year 2024-25. The increase from Fiscal Year 2023-24 to Fiscal Year 2024-25 is driven by claims payouts, as the State is self-insured.



There are three primary factors in the increase in the State's workers' compensation payouts:

1. Medical Fee Schedule - From Fiscal Year 2020 to Fiscal Year 2025, there was a cumulative increase of 18.5% in the medical fee schedule, which impacts to costs of claims covering medical expenses.
2. Employee Pay - From Fiscal Year 2020 to Fiscal Year 2025 employee salaries have increased, which therefore contributes to an increase in the cost of claims covering lost wages.
3. Increase in open claims. The Department's actuary reported a 10% increase in open claim inventory in March 2025 as compared to the prior year, pointing to Senate Bill 24-149 as one driving factor. The bill prohibited the State from barring an employee from future State employment as a settlement condition

when negotiating with claim filers. This results in claims staying open longer and potential repeat filing. Since the bill went into effect, there have been approximately 246 demands for settlement. Approximately 62 of those cases were closed via stipulations instead of full/final settlements. It will take time to fully understand and realize the impact of this legislative change.

In addition to these factors, it is important to understand that common policy allocations are a function of both fund balance and projected expenditures. The past few years have seen negative fund balance adjustments to the Workers' Compensation Fund. Complicating the fund balance impacts is the interaction between the three risk management funds, workers' compensation, property, and liability. If one fund is projected to end the year insolvent, the Department has the statutory authority and duty to make interfund transfers.

- c. What is the role of the State Office of Risk Management in addressing these trends?

Response: Injury prevention is the key to cost reduction. Our employee safety program continues to offer online, virtual and in-person training. DPA is working toward making more online training available to teams across the State. We have also implemented a new ergonomic platform that has been well received.

Overall, 70 trainings are available and facilitated by the Employee Safety Manager through the State Office of Risk Management. Including, but not limited to, trainings such as fall prevention, ladder safety, fire prevention. Additionally we have access to 642 trainings via a third party vendor, HSI LMS. Including topics such as workplace safety and safety leadership.

Capital Complex Leased Space

13. *[Rep. Taggart]* One of the Department's Performance Management Plan goals is to reduce state leased and owned space by at least 1.0 million square feet from January 2019 levels by June 30, 2027. Please discuss the Department's efforts to achieve this goal.

- a. Does the Department have a coordinated plan for increasing the use of State-owned office space by transitioning State staff from private leased space?

Response: Yes. Since 2020, the Department has coordinated with all executive branch State agencies to reduce both State leased and State owned space. As of November 2025, these efforts have resulted in a reduction of 651,000 square feet of office space, including 505,580 square feet of leased space and 146,100 square feet of State-owned property. The Department anticipates a cumulative reduction of

approximately 891,000 square feet by the end of FY 2025-26 and expects to exceed 1 million square feet in FY 2026-27.

As part of this effort, the Department has focused on relocating State agencies from leased property to vacant or under-occupied State-owned property leased resulting in greater co-location of agencies. This relocation saves additional funds due to the lower rate/costs of State-owned property.

- b. What are the limitations and difficulties the Department faces in meeting its performance goals?

Response: As noted in the Department's FY 2025-26 budget request, the consolidation and relocation of State agencies often necessitates additional budget allocation. This funding is required to buy out existing leases and cover the costs of relocation and/or reconfiguring space. While private landlords can "build out" space for their tenants, tenants in State-owned space often require a capital budget request for similar needs. However it is important to note that these costs are usually one-time expenses, which result in greater savings over time.

- 14. *[Rep. Sirota]* The affordability and availability of parking at state-owned facility lots has been raised as a serious economic issue by state employees. Please discuss the Department's management of parking at state-owned facility lots.

- a. How much state-owned parking is available for state employees and what is the geographic distribution of those lots?

Response: There are 885 parking spaces available to State employees, excluding the State Capitol parking circle. These lots are all located within two blocks of the Colorado State Capitol on Sherman Street, Lincoln Street, and Grant Street. All of these parking spaces are managed by Capitol Complex through its self funded State Parking Enterprise.

- b. Section 24-82-103, C.R.S., directs the Department to set parking rates in alignment with comparable privately owned parking lots. How does the Department ensure compliance with statute while setting parking fees and rates? Please detail the methodology.

Response: The Department annually surveys comparable parking facilities surrounding the Capitol Complex and uses this data to set parking rates, as authorized by CRS 24-82-103. The survey results are published annually on the Division of Capital Assets/Capitol Complex website. The Department reviews these rates annually to determine the charges for State employees. The survey includes both covered and non-covered parking spaces in the surrounding lots. The average

rate for surrounding covered parking spaces is approximately \$222.00 per month, while State employees are charged \$135.00 per month. For non-covered spaces, the surrounding lots' average rate is approximately \$180.00 per month, compared to the \$120.00 per month charged to State employees.

- c. Are there financial relief options provided to state employees for access to state-owned parking?

Response: Numerous reduced parking rates are available to employees in the parking program, such as Carpool and Vanpool options. The reduced rate for Carpool and Vanpool is based on the number of passengers and meeting all requirements outlined in the Capitol Complex parking rules (1 CCR 130-2). Specifically, a 25% discount applies with two carpoolers, a 50% discount applies with three carpoolers, and a 100% discount applies with four or more carpoolers. Additionally, rules allow a primary monthly parker to regularly share their space with another State employee (see Employee Parking Shared/Sublease program).

Finally as of June 2025, the Capitol Complex converted one surface State parking lot, located at 1530 Sherman St, to a Daily Paid Parking program. This lot offers 42 first-come, first-served parking spaces to employees for \$11 per day, available from 6 am to 11 pm. Rates for surrounding public lots vary based on their proximity to the State Capitol, generally ranging from \$15 to \$18 for an 8-hour window, with rates subject to change during the Legislative session.

- d. How long is the current waitlist for access to monthly parking at State-owned facility lots? How does the Department manage this waitlist and mitigate the time an employee must wait?

Response: The current parking Wait List, which is posted on the Capitol Complex website, includes 377 employees. All parking spaces are allocated by the Department pursuant to CRS 24-82-103. When a parking space becomes available, it is offered to the next employee on the list. If an employee declines the offered space, they will be asked if they wish to be moved to the bottom of the Wait List or have their name removed entirely. Parking spaces become available when an employee vacates the space, retires, or leaves State employment.

Health, Life, Dental Increases

15. [Rep. Brown] Can you please speak to GLP-1 costs over time? Are there any data that describe this? If we don't have anything at the State level, are there national data that we can use to estimate impact on the State?

Response: GLP-1 drugs fall into two categories - those for diabetes management (DM) and those for weight loss and other FDA-approved conditions (Anti-Obesity-Medications, or AOM).

Utilization has grown for both categories since their introduction in 2021.

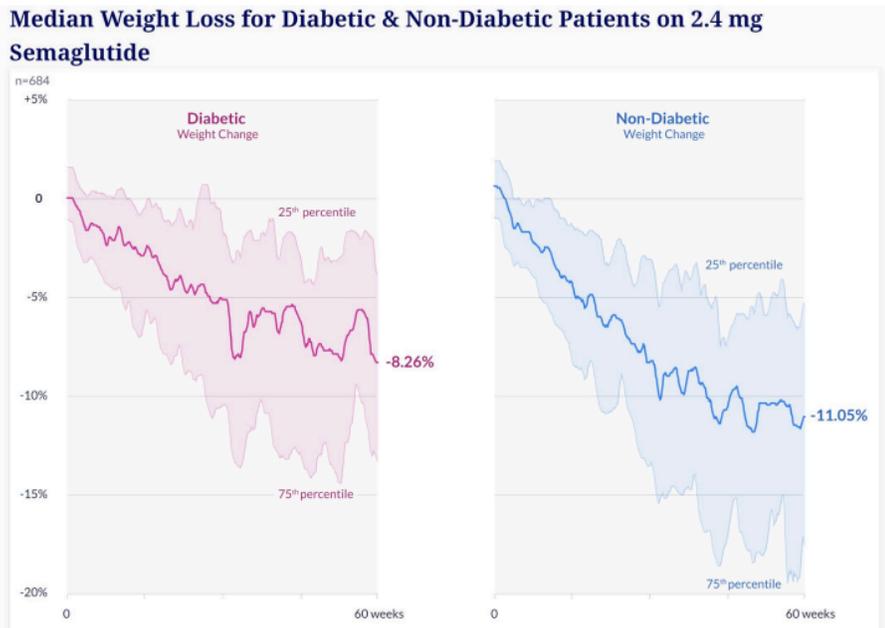
The chart below illustrates the comparative cost Per-Member-Per-Month (PMPM) of GLP-1 medications used for diabetes management and Anti-Obesity usage from plan year 2021 to 2025.



16. [Sen. Amabile] Have we seen any benefits from the GLP-1 grandfather policy in terms of peoples’ health or savings to the state? If not, are there indications from other states or from the national level that would show improved health outcomes and/or reduced public healthcare expenditure?

Since Anti-Obesity (AOM) GLP-1s are relatively new to the market, there aren’t long-term studies available that show demonstrated health outcomes or impact to plan cost. It will take three years of coverage before we fully understand the impact to health outcomes and impact to plan cost.

Generally speaking AOM GLP-1 drugs have been shown to be effective in reducing weight and positively impacting the incidence of weight-related illness:



EPIC Research

Tufts UNIVERSITY | Gerald J. and Dorothy R. Friedman School of Nutrition Science and Policy
FOOD IS MEDICINE INSTITUTE

Feedback from employees indicates that weight loss as a result of AOMs has resulted in significant lifestyle improvements, and research on AOMs from Aon “highlights their significant potential to improve health outcomes and reduce long-term medical growth trend”¹ when taken consistently and paired with other lifestyle improvements.

There are no indications that AOMs will result in any significant plan savings, at least in the immediate term.

A report from the Congressional Budget Office exploring covering AOMs for Medicare can be found here: <https://www.cbo.gov/publication/60816>.

17. [Rep. Taggart] How does the HLD premium increase for FY 2026-27 compare to estimated increases among other large group employer-provided plans?

Response: Premiums for other large group employer provided plans are predicted to increase 8.8% on average. The State’s plan increase is in alignment with predicted market trend increases, however additional plan growth is being driven by the following factors:

¹ AON

- Absorbing employee premiums increase. The State is required by Article 28.1 of the Partnership Agreement to "absorb 100 percent of the costs of any rate increase" through June 30, 2028;
- GLP-1 impact. The State has seen above expected utilization for AOM GLP1s, partly as a result of new medical indications; and
- Worsening claims experience. The State has seen an increase in high cost claims
- Migration to copay plans
- Reduction in stop loss reimbursement
- Utilization of specialty drugs in the last 12 months, which is projected to continue.
- Partial rebuild of premium stabilization reserve

18. [Rep. Taggart] What are we doing as a state through common policies or otherwise to encourage healthier lifestyles for state employees?

Response: The State of Colorado offers several employee wellness programs, primarily centered around the STATE OF HEALTH program, which is an evidence-based year-long virtual program designed to support employees' health and wellness goals.

Overview of key wellness programs:

1. STATE OF HEALTH Program

This is a no-cost, evidence-based year-long virtual program designed to support employees' health and wellness goals with documented cost savings and health improvement metrics.

- Eligibility: Available to benefits-eligible State employees who are enrolled in a Cigna or Kaiser Permanente medical plan.
- Core Offerings:
 - Personalized health coaching sessions;
 - Collaborative development of a personalized health plan and goals;
 - Access to a fitness portal with on-demand and live fitness classes;
 - Skill groups that cover various topics, including nutrition, exercise, stress management, sleep improvement, and goal setting;.
 - Personal Training to support the development of a daily exercise routine; and
 - Activities and referrals to community-based resources.
- Support Pathways: The program offers levels of support based on employee needs:

- Coaching: Clinically integrated year long program where health coaches work with employees to reach their health goals and assist them to develop life-long healthy lifestyle practices.
- Self-Directed: Online program designed for employees not at risk for chronic conditions, focusing on skill groups and resource portal access.
- Financial incentive: Participants can earn a \$20 per month health insurance premium discount for 12 months (up to \$240 annually) by completing a few required wellness activities. The discount can be re-earned each year.
- Results: Across the board improvement in biometrics (weight, Blood pressure, A1C levels, Cholesterol) as well as lower claims spending from participants compared to non-participants with similar health conditions.

2. Onsite Health Coaching

The State provides access to an onsite health coach (available to Cigna and Kaiser members) for personal, one-on-one support.

- Services: Coaches help employees improve overall health—physically and emotionally—by working together to create plans for personal health and lifestyle goals.
- Topics: Coaching covers a wide range of topics, such as stress reduction, tobacco cessation, nutrition, exercise, weight loss, and managing health conditions like high blood pressure and high cholesterol.

3. Employee Assistance Program (CSEAP)

The Colorado State Employee Assistance Program (CSEAP) is available for counseling and support, particularly for those with behavioral health conditions or risks. They offer mental health and physical health group coaching programs as well as 1 on 1 counselling.

4. Cigna and Kaiser Resources

Cigna and Kaiser each offer a number of wellness resources built into their coverage such as:

- Behavioral health visits (at no cost)
- Nutritional counseling
- Exercise tracking and classes
- Gym discounts

- Healthy babies
- Health and wellness libraries
- Classes and webinars

5. GLP-1 Coverage for Anti-Obesity

The Department intends to continue offering coverage for GLP-1 medications in FY 2026-27 and beyond, which will support the overall wellness of its employees. These drugs, which include both diabetes management and anti-obesity medications, have been shown to be effective in improving a variety of health conditions linked to obesity. By maintaining access to these innovative therapies, the department is investing in the long-term health and productivity of the State workforce.

ULAED Contribution Rate Reduction

19. [Sen. Amabile] Can you provide a detailed explanation of the Unfunded Liability Amortization Equalization Disbursement (ULAED) contribution rate reduction request? Please speak to the methodology of the reduction, the short- and long-term implications on the unfunded liability, and if there is any plan to pay back the reduction in the future.

Response: This request is for a one-time reduction to the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED), which are extra payments to help pay down the unfunded PERA liability. It reduced AED and SAED maximum State contribution rate from 5% to 4.5% each, for a total of 9% instead of 10%. There is no plan to repay these contributions as they will not significantly impact the funded status of PERA. The contribution rate would return to the current maximum rate of 5% for AED and SAED and 10% overall ULAED in FY 2027-28.

This request does not impact PERA Direct Distribution (DD) nor PERA's Automatic Adjustment Provision (AAP). The State is capped at an annual \$225M for PERA DD. The actuarial estimated ratio of blended total contribution rate to blended total required contribution for plan year 2026 is 102.58%. If the blended total contribution rate drops to 98% or below that would trigger an AAP for employee or employer contributions. This reduction would reduce the estimated blended total contribution rate to 101.47%, which is well above the 98% threshold. Therefore, this request will not materially disrupt the overall progress of paying down PERA's unfunded liability, such as triggering the AAP or reducing the contribution below 100% to stay on schedule.

Furthermore, a detailed breakdown of the reduction amount per department can be found at

<https://docs.google.com/spreadsheets/d/157Lba0qmM9JctkWRZsXBL9LFAwIm83Hh135FmUMmi5A/edit?gid=0#gid=0> A detailed look at how the projected blended

contribution weight is calculated can be found at

<https://docs.google.com/spreadsheets/d/1ac9U3o7X2MvWj866RhUrbERMgaX5VYQI0S65DTGCT50/edit?gid=0#gid=0>.

20. [Sen. Amabile] What are our options with regards to only reducing the General Fund contribution? Reducing the other fund sources does not help with balancing the budget, so is there a way to still make those contributions to reduce the overall impact?

Response: The mechanism for reducing ULAED is by reducing the maximum contribution rate to AED and SAED for FY 2026-27 which impacts all funding sources. Only applying the reduction to the General Fund may not be feasible for each department. Additionally, it would be difficult to carve out certain fund types for contributions due to their interaction with federal participation rates. However, this request will not significantly impact the funding status of PERA for the reasons detailed in the response above.

Budget Reduction Proposals and P3

Unused State-Owned Real Property Fund Transfer

21. [Sen. Amabile] What is the amount of cash in the Unused State-Owned Real Property Fund? Please explain the current and anticipated fund balance, and whether the full balance is available as cash. How much of the money in the cash fund originated as General Fund? What is the purpose of the funds in the cash fund? What is the Department currently using the money for?

Response: As of December 11, 2025, the unencumbered fund balance was \$13,658,047, with an anticipated FY 2025-26 year-end cash balance of \$6,473,750. Most of the remaining balance is earmarked for projects and ongoing operating costs of the P3 Office.

Per C.R.S. 24-82-102.5, "The purpose of the funds in the cash fund is to utilize state-owned land that is not currently needed for its optimal use. The General Assembly's purpose is to leverage this surplus property to benefit Colorado by developing affordable housing, child care, public schools, residential mental and behavioral health care, or renewable energy facilities." The Unused State Property Fund

fund is the sole funding source for the Department's P3 Collaboration Unit or "P3 Office."

P3 Office utilizes funds for personnel services, consultants, managing the various ongoing projects, and associated fees as allowed by statute and to meet the program's goals. The Unused State Property Fund further supports a portfolio of ten active projects across Colorado, detailed in the recent RFI #3 submission on November 1, 2025: These P3 projects are progressing through various stages of development and, once completed, are projected to deliver more than 1,300 units of affordable and attainable housing, four or more childcare facilities, expanded behavioral and mental health service capacity, and broadband connectivity in two Department of Corrections facilities. The broadband investment alone has enabled the expanded use of telehealth services, reducing transportation costs and mitigating security risks associated with moving incarcerated individuals.

Collectively, these initiatives are designed to generate a recurring revenue stream that will allow the P3 Office to be a self-sustaining office capable of making high-impact investments in unused and underutilized State property. Any reduction in the Unused State Property Fund would significantly diminish the likelihood of these projects being completed, thereby limiting the number of new housing units, childcare centers, and expanded behavioral-health services available to Colorado residents. It would also hinder the P3 Unit's ability to achieve long-term self-sufficiency and continue delivering high-impact investments across the State.

Funding Sources of the Unused State-owned Real Property Fund:

- SB23-001: Transferred \$5M from the General Fund (GF) and \$8M from the Housing Development Grant Fund (HDGF) in the Division of Housing (DOH) in DOLA. HDGF funding comes from multiple sources: State vendor fees, GF transfers, ARPA, gifts, grants, and donations. Most recent transfers-in are from ARPA and GF.
- SB22-130: Transferred \$15M from the GF to fund development projects aligned with the mission of the P3 Office.
- SB22-176: Transferred \$500k from the GF for use on Burnham Yard.

End Burnham Yard Demolition and Cleanup ARPA Program Early

22. *[Sen. Kirkmeyer]* Related to the Burnham Yard Redevelopment Project, when the property is sold, does the revenue from the sale go to the General Fund? Or would it go to the State-Owned Real Property Fund? Did the money for the project originate as General Fund? How much was ARPA-funded, how much was General fund, and how

much was from P3 projects funds? For P3 projects funds, please explain where the funds came from for the project.

Response: The original purchase of Burnham Yard was financed through debt by the Colorado Transportation Investment Office (CTIO), an independent government-owned business within CDOT, the landowner. Therefore, all proceeds from the sale of the land will be used to pay off the debt incurred from that initial purchase by CTIO.

23. *[Rep. Taggart]* It has been four years since \$14 million was provided for the demolition and cleanup of the Burnham Yard. Why has the project only spent \$3.6 million of the originally appropriated \$14 million? Please explain how the project plans on spending the remaining \$10.4 million in such a short timeframe given the spending history track record.

Response: The original purchase of Burnham Yard was financed through debt by CTIO (CDOT), the landowner. All proceeds from the sale of the land will be used to pay off the loans from that initial purchase.

In 2022, SB22-176 transferred \$500,000, from the General Fund to the P3 Office to conduct stakeholder engagement and evaluate the site's potential for transit-oriented development. To fully assess this potential, the P3 Unit invested approximately \$1.7 million in stakeholder engagement, environmental assessments, transit analyses, market studies, and planning activities. During this period, the Unit was also reimbursed \$400,000 by CTIO for property-management support.

As planning progressed, it became clear that the highest-value path forward for both the State and the site was a partnership with the Denver Broncos for a future stadium location. The P3 Unit continued to serve as CTIO's property manager throughout this transition to maintain continuity and safeguard the State's interests.

In December 2024, the P3 Office entered into a \$4 million Interagency Agreement (IA) with OSPB, funded through ARPA funds, to implement historic-preservation-related work, including demolition and environmental cleanup across the Burnham Yard campus. The majority of this initial work is now complete, with anticipated total expenditures of \$3.79 million.

During this time, a nearly two-year process was undertaken to study the track alignment, right-of-ways, and safe access into the site, which is essentially "landlocked" by freight rail lines running along the east and west sides of the property. The study's end result was the need to acquire the Burnham Lead Line on the east boundary. This freight line was redundant, prevented the expansion of the light rail system, and caused

safety concerns due to three at-grade crossings at Shoshone, Rio Court, and 13th Street.

In August 2025, the P3 Office and OSPB amended the IA to receive an additional \$10 million, which was subsequently adjusted in September 2025 to \$9.8 million, to continue environmental cleanup and demolition activities, including the removal of the entirety of over two miles of the Burnham rail line, including the three at-grade crossings.

Completion of this work is foundational to the redevelopment of the site and the Broncos' agreement to purchase the property.

All of this work is being completed as a public benefit that will eventually reduce safety risks created by freight rail traffic in the urban core, preserve important right-of-ways needed for transit expansion, and enable the redevelopment of Burnham Yard.

This work is essential for any future development on the site, and any reduction in funding would jeopardize the successful sale of the property, not only to the Broncos but to any potential future buyer.

P3 Glo Park/Pleasant View

24. *[Rep. Sirota]* Why was the Glo Park project terminated? Please explain and provide details on the current status of the project.

Response: The initial vision for the Glo Park project, which focused on renewable energy, was modified to prioritize national security in response to shifting federal administration priorities. We have issued a Request for Qualifications (RFQ), due December 20, for builders to create more secure facilities for work protecting the national energy grid. We continue to partner with the county and the National Laboratory of the Rockies. The project will still generate quality jobs and investment in Colorado, enabling the State to leverage one of its greatest assets: a world-class research institute.

End Round 1 and 2 State Capital Facilities Project Funding ARPA Programs Early

25. *[Rep. Taggart]* The State is behind on controlled maintenance spending by more than \$2 billion. How does the State have more than \$25 million remaining from the originally appropriated amounts for these two rounds of funding from ARPA for State Capitol projects? Why have the funds not been put to use?

Response: Agencies encumbered all but approximately \$5 million of the original appropriations from HB22-1329 and SB23-214 that were not refinanced under HB24-1466. Of the \$161,731,911 refinanced funds, \$25 million has yet to be utilized for one of the following reasons:

- In an effort to prevent agencies from having to return to the General Assembly for supplemental funding due to unforeseen conditions or bidding overruns, the Office of the State Architect (OSA) mandates that all renovation and Controlled Maintenance projects include a 10% contingency. The 10% contingency on all refinanced funds from HB24-1466 totals \$16.1 million. With a year of construction remaining, a significant portion of the refinanced contingency is still available.
- Capital projects may also include owner-furnished fixed equipment and furniture, such as commercial kitchen equipment, office systems furniture, built-in theater or classroom seating. These items will be purchased and installed near the end of construction or post-construction and may still be in the bidding and contracting phase and thus are not encumbered.
- There may be relocation costs. Residents, inmates or classes need to be relocated during and after construction. Relocations may require professional movers to move furniture and equipment back into the building post renovation. These services may still be in the bidding and contracting phase.

Eliminate Funding for ADA Coordinator and Reasonable Accommodations

26. [Sen. Amabile] Please provide a breakdown of expenditures for the ADA Coordinator role. How much of the appropriated amount is spent on FTE and associated costs, and how much is spent on reasonable accommodations. Please provide a breakdown of expenditures specifically for providing reasonable accommodations under the ADA (since this line item was created).

Response: Breakdown of expenditures spent on FTE and associated costs, and how much is spent on reasonable accommodations

Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26**
ADA Coordinator Personal Services*	\$2,461	\$48,111	\$47,332	\$18,531
ADA Coordinator Operating Expenditures	\$146	\$250	\$22	\$0

ADA Accommodation Expenditures	\$0	\$265,412	\$395,788	\$56,359
Total	\$2,607	\$313,773	\$443,142	\$74,890

*Personal Services expenditures currently fund 0.5 of a 1.0 FTE for the Statewide ADA Coordinator. The other 0.5 of the FTE is funded by the Statewide Equity Office.

**Expenditures through 11/21/2025

Breakdown of expenditures specifically for providing reasonable accommodations under the ADA. Transfer to other agencies are for reimbursement requests for ADA Accommodations.

Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26*
Personal Services - Professional		\$159,233		\$690
Building Maintenance		\$9,985	\$0	
Purchased Services		\$8,017	\$69,756	\$3,792
Non-capitalizable Information Technology			\$2,843	
Software Subscriptions			\$41	
Miscellaneous Fees And Fines		\$94	\$27,341	\$24,299
Nonemployee Reimbursements			\$2,382	
Operating Transfers to Agriculture			\$22,073	
Operating Transfers to Education			\$1,299	
Operating Transfers to Governor's Office		\$555	\$2,431	\$1,247
Operating Transfers to Higher Education		\$0	\$84,172	\$12,752
Operating Transfers to Transportation			\$73,745	
Operating Transfers to Labor & Employment		\$2,819	\$2,663	\$2,185
Operating Transfers to Law			\$886	
Operating Transfers to Natural Resources		\$3,787	\$5,096	
Operating Transfers to Public Safety		\$7,690	\$20,772	\$1,342
Operating Transfers to Human Services		\$58,293	\$80,228	\$10,052
Operating Transfers to Early Childhood			\$59	
Operating Transfers to Public Health & Environment		\$14,939		
Total	\$0	\$265,412	\$395,788	\$56,359

*Expenditures through 11/21/2025

Repeal State Procurement Equity Program

27. [Sen. Amabile] How does the Program measure equity? What results has the State Procurement Equity Program created, and what evidence exists to demonstrate the

results of the program? Has equity in state procurement improved? If so, provide evidence of what the program has accomplished regarding equity in state procurement.

Response: The Statewide Procurement in Equity Program measures equity by the number of barriers identified and eliminated for small and diverse suppliers.

The Equity in Procurement Program began by collaborating with small and diverse business owners to understand the various barriers to State contracting, which led to the creation of the following solutions:

Barrier #1 - Supplier Readiness for State Contracting

- Solution 1: Supplier Diversity Navigator
 - Offers a real-time solicitation assistance help desk for all small and diverse suppliers.
 - Assists with identifying available opportunities.
 - Provides guidance on solicitation response procedures and best practices.
 - Offers interpretation of solicitation documents.
 - Refers businesses to available partner trainings and resources as needed, avoiding duplication of effort and cost.
- Solution 2: Supplier Diversity Webinars
 - Educates businesses on available Statewide Equity Office (SEO) resources to help them access State procurement opportunities.
- Solution 3: Community Engagement
 - The Statewide Equity Office attended 41 Community Engagement events last year, meeting with potential suppliers to explain how to work with the State of Colorado.

Barrier #2 - Lack of Access to Discretionary Spend Opportunities

- Solution: Amazon Business Functionality
 - The Procurement in Equity program enabled the small and diverse business functionality within Amazon Business.
 - This feature "highlights" small and diverse businesses to Agency staff utilizing Amazon Business.

Barrier #3 - State Agencies Lacked a Directory of Small/Diverse Businesses, and Businesses Resisted Another Certification Program

- Solution: Apply and Verify Program
 - Businesses can apply to the program for free.

- Small, diverse, and/or green businesses can apply for verification of their credentials to have the designation listed in the directory.
 - This serves as an alternative to the Disparity Report's recommendation of creating a new certification, which stakeholders advised against.
- Verified businesses receive logos to use for outreach, promotions, and marketing.

Colorado Supplier Diversity Business Directory					
Applications Summary					Last Application Received
Nov 20, 2025, 8:48:05AM					
view directory					
Applications Received	Applications Approved	Businesses w/ Verified D...	QC Needed	Archived	
380	347	289	1	32	
Days Live		Days with Applications		Avg Applications Per Day	
279		137		2.1	
Verified Status % of Approved Applications					
%HUBZone	%Small	%Diverse	%Green	%Veteran	%SDVOSB
15.6%	83.6%	70.3%	1.4%	24.5%	20.2%

Barrier #4 - Small businesses lacked access to Procurement Officials, hindering their ability to communicate service gaps related to State contracting.

- Solution: The Procurement Equity program established two Statewide Communities of Practice (SCPs) - one for Construction and one for Goods and Services.
 - The SCPs inform the work of the Supplier Diversity/Procurement Equity program, including the implementation of remediation recommendations from the:
 - 2020 State of Colorado Disparity Study Final Report (<https://drive.google.com/file/d/1KePisJ-U2RlXyRyBZ3Yi1wXjETYYmmeI0/view>)
 - Supplier Diversity Partners of Equitable Business Committee Report (<https://drive.google.com/file/d/1qCj5IU7aHkaR3KewxQqQPzQABYODkA-f/view>)

Barrier #5 - Many small and diverse businesses struggled to obtain bonding.

- Solution: The Procurement Equity Program launched the Bond Assistance program. The program successfully issued its first and so far only one to a Service Disabled Veteran Owned Small Business (SDVOSB) approximately one year after the program was launched in April, 2024. This involved a business met

through community outreach events, which then worked with the Supplier Diversity Navigator to secure the necessary contract required to get a bond.

Barrier #6 - State agencies lacked the tracking needed to understand their spending with small and diverse businesses.

- Solution: The Equity in Procurement Team is working with the following areas, as identified by State and Community stakeholders:
 - Statewide Small and Diverse Business Spend:
 - Small and Diverse Business spend has increased from FY 2023/2024 to FY 2024/2025 for the following areas: Small Disadvantaged Business, Certified Small Business, African American Business, 8 (A) Designation, Native American, Alaskan Native Corp, Disadvantage Veteran Enterprise, Airport Concession Disadvantaged Business, Historic Black Colleges and Universities.

28. *[Rep. Sirota]* Since the State Equity Office was created, and the State Procurement Equity Program launched, what is the ongoing demonstrated need for the Equity Office? Please provide evidence of need. Please provide evidence of the value added from the Equity Office since its inception. Why isn't equity built into state procurement as policy?

Response: Currently, Executive Order D 2020 175 directs the Statewide Equity Office to, "Using the findings of the procurement disparity study commissioned by Senate Bill 19-135, guide agencies in addressing systemic inequities posed by contracting barriers."

Work is about to begin to establish Supplier Diversity Programs within State agencies. However, this is a new area for many, and they are requesting technical guides, capacity building, training, and more data from the Statewide Equity Office and the Equity in Procurement program to inform spending decisions. Like many State entities, the will is present, but the capacity is not, which is where the Statewide Equity Office's Procurement in Equity program can provide assistance.

This year marks the first time we will systematically collect data on the scale of Supplier Diversity across the State through the Annual Strategic Plans. We are measuring the maturity of each individual agency and tracking the following categories on our Statewide Equity Dashboard to ensure we are making data informed decisions regarding the breadth and scale of Supplier Diversity needs across State agencies.

How do we assess our ability to identify and remove barriers for suppliers?

- Undefined: We have made no effort toward supplier readiness or the removal of

barriers.

- Defined: Agencies have begun to identify barriers to supplier diversity, inventory available suppliers, assess supplier readiness in proposal/contract response, and have cataloged barriers that suppliers face.
- Repeatable: We have started to increase supplier readiness and identify and remove barriers. Our website is clear on what and how we purchase, and suppliers know who to contact for information and assistance.
- Managed: Suppliers are surveyed annually for competency and for agency-specific supplier awareness, aware of working capital programs, and recipients have identified a path to procurement without assistance or with a variety of State resources.
- Optimized: Suppliers are well versed in Colorado practices, understand the requirements for responding to proposals and agency-specific constraints, and can secure resources effectively with or without State assistance.

How do we assess our agency's annual small and diverse supplier reporting and policies?

- Undefined: Utilization of varied suppliers is unknown and not measured.
- Defined: Utilization of varied suppliers is known. Tracking is in place for discretionary spend and large dollar contracts. Policies are being developed.
- Repeatable: Policies and procedures have been established for the utilization of various suppliers.
- Managed: Policies and procedures are regularly audited and adjusted to maximize opportunities for varied suppliers.
- Optimized: Reporting continues, and policies are evaluated regularly. Opportunities for varied suppliers are maximized, and they are provided access to State procurement in small and large dollar purchases.

How do we assess our agency's small and diverse business technical assistance and outreach?

- Undefined: Outreach efforts are scattered or nonexistent. Businesses are unaware of where to go for assistance.
- Defined: Outreach goals are determined, and stakeholder surveys are being developed to provide feedback from businesses and buyers. Marketing efforts and partnerships/relationships are built to help increase the readiness of small and diverse suppliers.
- Repeatable: Agencies and IHEs are referring suppliers and contractors to technical assistance programs, such as the Help Desk/Navigator and the Bond Assistance Program. Stakeholder surveys are conducted to identify service gaps

and additional opportunities for program improvements.

- **Managed:** Agency and IHE solicitation documents and websites include technical assistance information, such as the Help Desk/Navigator and the Bond Assistance Program. Audits are regularly conducted to ensure the effectiveness of the program and survey data. Results are used to identify and implement any needed changes.
- **Optimized:** Technical assistance is being provided regularly through available programs, such as the Help Desk/Navigator and the Bond Assistance Program. Outreach participation is optimized, and the implementation of education initiatives includes input and insight learned from previous outreach initiatives and survey data is incorporated into all outreach planning efforts.

How do we assess our agency's use of supplier inclusion training and tools?

- **Undefined:** Supplier diversity training(s) and equity tools are not being utilized.
- **Defined:** Agencies are aware of available training and tools, but participation is inconsistent.
- **Repeatable:** Buyers are consistently participating in training to understand the social and economic impact of their purchasing power, and utilizing tools to find small and diverse businesses.
- **Managed:** Buyers actively seek out and participate in training to understand the social and economic impact of their purchasing power. Agencies are able to find and actively use small and diverse businesses.
- **Optimized:** Supplier diversity training is embedded in the organization's culture, continuously refined through data-driven improvement. Employees within the State understand the importance of their purchases and how it impacts the local community. Buyers are consistently participating in available supplier diversity training and utilizing available supplier diversity tools. Best practices are shared across teams.

This information will help the Equity in Procurement team understand and benchmark the State's current position and determine how we can increase our small and diverse dollar spend, thereby creating more economic opportunities.

Equity is currently integrated into procurement policies, due to the requirement for neutrality. Procurement Officials must remain neutral to ensure the best possible outcome for bid opportunities, which also necessitates limited contact with suppliers to prevent potential conflicts of interest. Bias is therefore eliminated to the greatest extent possible based on these neutrality policies.

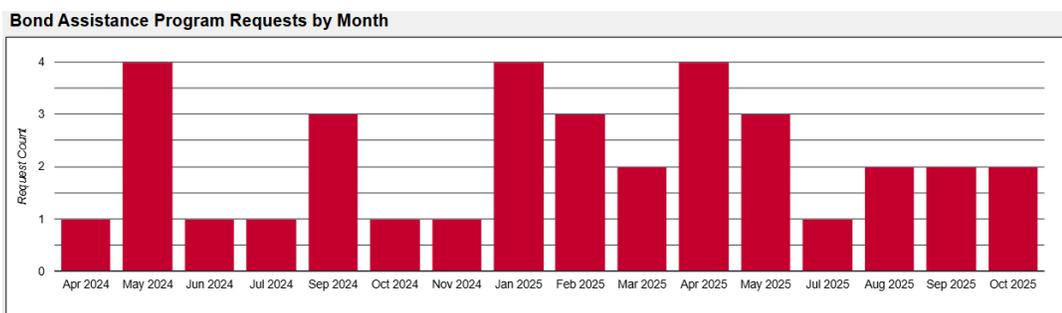
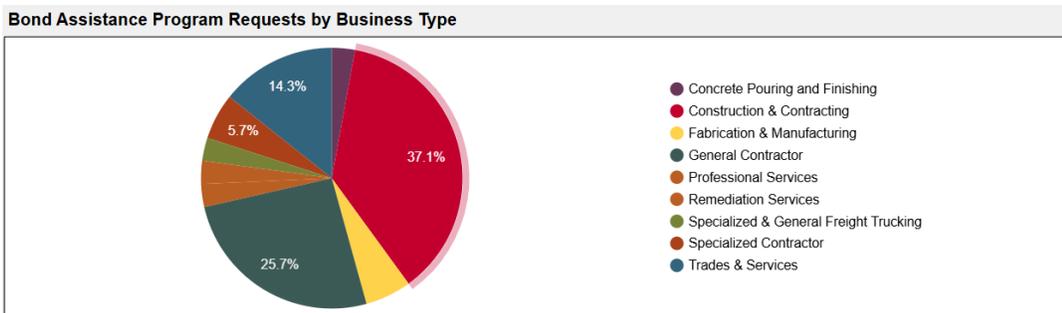
29. [Rep. Brown] If the mission of the Office is to reduce disparities, is the State awarding more contracts to underutilized businesses in State procurement contracts? What evidence of reducing disparities from this program/office exists?

Response:

Currently the State has reduced disparities among the following groups of underutilized businesses, increasing the total State spend by 29.01%. Small Disadvantaged Business, Certified Small Business, African American Business, 8 (A) Designation, Native American, Alaskan Native Corp, Disadvantage Veteran Enterprise, Airport Concession Disadvantaged Business, Historic Black Colleges and Universities.

Bond Assistance Program:

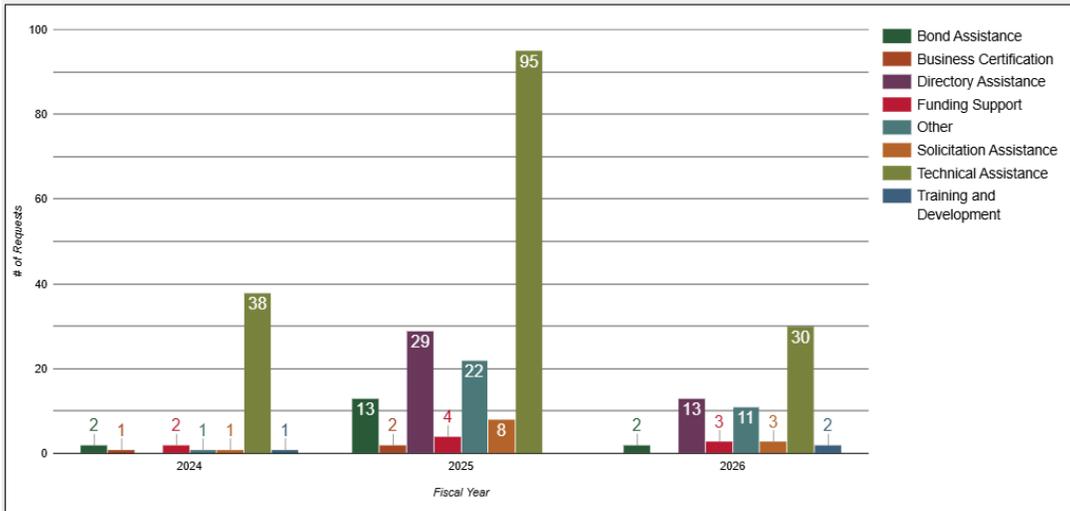
- The Bond Assistance program has reduced disparities amongst Service Disabled Veteran Owned businesses, awarding \$94,124.63.
- We have also increased supplier readiness to small and diverse businesses by averaging a total of 18 applications per year to the bond assistance program.



Supplier Diversity Navigator/ Apply and Verify Program:

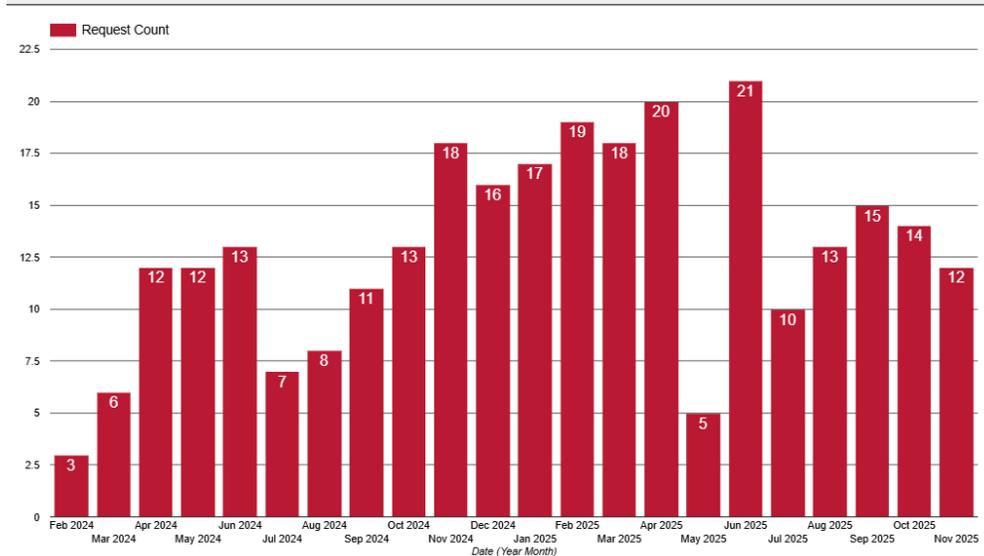
- The Equity in Procurement Program has also increased supplier readiness to small and diverse businesses by working with 458 Small and Diverse businesses since the inception of the program.

Supplier Diversity Help Desk Requests by Category



- The Equity in Procurement Program has also increased Supplier Visibility by showcasing 358 Small and Diverse Businesses on our Supplier Diversity Directory, an entity that gains traction every day and is currently being reviewed by other Colorado government entities for their own Supplier Diversity programs.

Supplier Diversity Help Desk Requests by Month



Supplier Diversity Business Directory Data Summary

Applications Received		Applications Approved		Applications Per Day	
390		358		2	
% HUBZone	% Small	% Diverse	% Green	% Veteran	% SDVOSB
15.4%	82.4%	69%	2.8%	24.3%	20.1%
# HUBZone	# Small	# Diverse	# Green	# Veteran	# SDVOSB
55	295	247	10	87	72

Other JBC Staff-identified revenue enhancements and expenditure reductions

30. *[JBC Staff]* Please discuss the impacts of the staff-initiated budget reduction proposals (one-time revenue enhancements and ongoing expenditure reductions) for the Department and other State agencies.

Response:

Supplemental State Contribution Fund Transfer:

Response: Earlier this year the General Assembly authorized a \$5 million transfer from the Supplemental State Contribution Fund. The General Assembly also authorized a transfer of FY 2024-25 and FY 2025-26 interest from the fund. The current projected ending fund balance for FY 2025-26 is \$2.3 million. The potential exists for an increase in the employee portion of health and dental insurance premiums in FY 2026-27. The Long Bill line's spending authority is not managed by the Department but is determined through Tobacco Master Settlement figure setting and as such the Department is unsure of the outcome of the upcoming FY 2026-27 figure setting. Given the list of unknown variables involved in the fund's utilization, the Department believes that a transfer of \$500k or less would be a manageable risk level.

Unused State-Owned Real Property Fund - Options 1 and 2:

Due to the complex and long-term nature of the projects undertaken by the P3 Collaboration Unit (AKA P3 Office), the program's continued existence is dependent on stable and predictable funding. The Unit has engaged in deliberate and disciplined planning to deploy its current budget efficiently, while leveraging private-sector capital and expertise to maximize public benefit. Any reduction in funding at this stage would materially jeopardize the program's ability to achieve its statutory requirements.

The P3 Unit is currently utilizing these funds to support essential personnel services, technical and financial consultants, active project management, and associated transaction and compliance costs necessary to advance projects through development. The remaining balance of the Unused State Property Fund is supporting a portfolio of ten active projects across Colorado, as detailed in the Unit's November 1, 2025 RFI #3 submission. These projects are at various stages of execution and, upon completion, are expected to deliver more than 1,300 units of affordable and attainable housing, four or more childcare facilities, expanded behavioral and mental health service capacity, and broadband connectivity at two Department of Corrections facilities.

Notably, the broadband investments alone have enabled expanded use of telehealth services within correctional facilities, resulting in measurable reductions in transportation costs and improved security by limiting the need to transport incarcerated individuals for care.

Collectively, these initiatives will result in a recurring revenue stream allowing the P3 Collaboration Unit to be a self-sustaining office, capable of continuing to deliver high-impact investments statewide. Any reduction in the Unused State Property Fund will prevent these projects from reaching completion, potentially placing the department in violation of contracts, as well as reducing the number of housing units, childcare centers, and behavioral-health services ultimately delivered to Colorado communities. Such a reduction would also destroy the P3 Unit's ability to achieve long-term self-sufficiency and continue advancing innovative, low-cost, high-impact public-private partnerships across the State.

End Burnham Yard Demolition and Cleanup ARPA Program Early:

Completion of this work is foundational to the redevelopment of the site and the Broncos' agreement to purchase the property.

All of this work is being completed as a public benefit that will eventually reduce safety risks created by freight rail traffic in the urban core, preserve important right-of-ways needed for transit expansion, and enable the redevelopment of Burnham Yard.

This work is essential for any future development on the site, and any reduction in funding would jeopardize the successful sale of the property, not only to the Broncos but to any potential future buyer. Thereby leaving CTIO responsible for repaying \$45.8 million in outstanding loans without an identified revenue stream to do so at this time.

End Round 1 State Capital Facilities Project Funding ARPA Program Early:

After three years of design and construction, agencies are nearing completion on most of these projects. In an effort to prevent agencies from having to return to the General Assembly for supplemental funding due to unforeseen conditions or bidding overruns, the Office of the State Architect (OSA) policy requires that all renovation and Controlled Maintenance projects include a 10% contingency. The funds available are excess contingency funds. Agencies and Institutions of Higher Education have indicated that \$3,616,658 is available for transfer to the General Fund when considering the point above.

End Round 2 State Capital Facilities Project Funding ARPA Program Early:

Like Round 1, projects funded through SB23-214 have funds remaining for similar reasons. Many of these projects are made up of fewer complexities - a single roof, a chiller, elevators, electrical to a single building etc. Or they cross multiple appropriations so the design has been completed and the installation is being phased to minimize the disruption to the institution. Because the projects are not as far along, they need to maintain more contingency for unforeseen conditions. Agencies and Institutions of Higher Education have indicated that \$418,588 is available for an early transfer to the General Fund when considering the factors above.

End Office of the State Controller ARPA - Administration Expenses Program Early: The ARPA Administrative Expenses allocation funds 12.0 term-limited positions that perform reporting and compliance oversight activities necessary to comply with federal Uniform Guidance and the specific terms and conditions of the \$3.8 billion in State and Local Fiscal Recovery Fund (SLFRF) federal funds awarded to the State of Colorado. The requirements of this award are extremely complex and the refinancing that braided State funds into the projects added further complexity. It is not feasible for the Office of the State Controller to carry out its statutory responsibility found in C.R.S. 24-75-226(5) without sufficient staff. The agreement end date for all of these positions is April 30, 2027 to coincide with the final federal reporting cycle and compliance close-out deadline for SLFRF funds. A reduction of funding would require layoffs, but more importantly, the State could not continue to maintain federal compliance which would jeopardize the entire \$3.8 billion awarded. The Office of the State Controller does not have the capacity to complete these activities outside of these positions that were specifically hired to carry out this activity. Of note, personal services cannot be encumbered.

End Office of the State Controller ARPA - Compliance Expenses Program Early:

Similar to the Office of the State Controller ARPA - Administrative Expenses Program, this project provides funding for the State's federally required compliance and oversight-related activities for the State's \$3.8 billion in SLFRF federal funds. This

project provides for a specialized external consultant to support compliance activities. The remaining funds will be encumbered as final compliance activities are planned based on risks identified thus far. Similar to the Administrative Project, the OSC does not have the capacity to complete these activities without the support of the consultant, which would put the State at a significant risk of failing to demonstrate it met federal compliance requirements which would jeopardize the entire \$3.8 billion awarded.

6-Year Average Reversion Reductions to Select Programs:

A reduction to specified personal services and operating expenses line items by a total of \$485,391, would have a severe, negative impact on Department operations and cause an interruption in services provided to other State agencies.

Average reversions are not always indicative of areas where reductions can be taken. There are sometimes impacts from one-time funding, unique circumstances, or other external factors. Notable circumstances are as follows:

- State Agency Services (SAS) Personal Services budget currently includes temporary funding for term-limited staff to assist agency efforts to hire, onboard, train, support, and manage the statewide influx of new term-limited staff funded under the American Rescue Plan Act (ARPA). These funds were included in the ARPA refinance. While some of this funding has contributed to higher reversions, the Department has already submitted a \$96,287 General Fund base reduction to the State Agency Services Personal Services line item in the FY 2026-27 budget request. There will be further reductions of \$206,650 General Fund for this line item for FY 2027-28 to complete the ARPA project unwind. A total of \$302,937 General Fund will be reduced from the SAS Personal Services in the next two years, eliminating any opportunity for reductions.
- The Division of Accounts and Control, Financial Operations and Reporting Personal Services and Procurement and Contracts Personal Services, each received significant new FTE and appropriations recently through FY 2024-25 budget requests approved by the General Assembly. These staff support time and leave work, payroll taxes, COWINS work for the Central Payroll Unit, and procurement. Given the challenges experienced during the FY 2024-25 fiscal year and the uncertainty in federal funding, deliberate decisions were made to hold open positions that were not hired prior to February 2025 until the FY 2025-26 fiscal year. These positions have since been filled, and reductions to these personal services lines would result in layoffs.
- JBC Chair, Senator Bridges, sent a letter in January 2025 requesting State agencies curb spending for the remainder of the fiscal year in favor of higher General Fund reversions. In that spirit, the Department issued internal guidance

at that time to delay hiring and ensure that spending for the remainder of the fiscal year was based on critical needs.

- At the start of the fiscal year, several positions that were held open in FY 2024-25 were filled prior to the hiring freeze. Additionally, the Department is managing the 1.5% personal services reduction in HLD lines across programs. A further reduction beyond the two-year \$303k General Fund to the SAS Personal Services line items already incorporated into the Department brings a risk of layoffs for existing staff.

Eliminate Funding for State Employee Tuition Reimbursement:

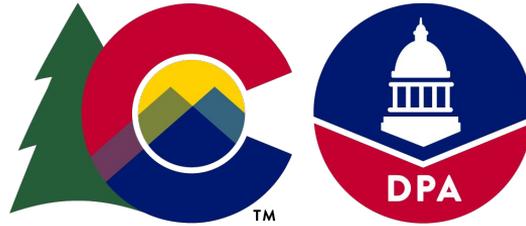
This program is part of the Partnership Agreement (collective bargaining agreement), Article 24.5. Article 33.1 of the Partnership Agreement states, “The provisions of this Agreement that require the expenditure of money shall be contingent upon the availability of money and the specific appropriation of money by the General Assembly. If the General Assembly rejects any part of the (initial or supplemental) request, or while accepting the requests takes any action which would result in a modification of the terms of the cost item submitted to it, either party may reopen negotiations concerning economic issues.” Repealing this program may be considered a modification of the terms and could result in a request to reopen negotiations for Article 24.5 of the Agreement.

Repeal Colorado Equity Office: C.R.S. 24-50-146 would need to be repealed removing DPAs responsibility for providing resources, guidance, and ensuring compliance with equity, diversity, and inclusion (EDI) laws and initiatives for State agencies. 10.0 FTE would be eliminated. State agencies would be responsible for ensuring their operations and policies are consistent with EDI laws and executive orders. Additionally, the establishment of the Statewide Equity Office was a negotiated term of the 2021-2024 Partnership Agreement, and Article 8 of the Partnership Agreement includes many measurable items required of the Statewide Equity Office. Elimination of this Office could trigger Article 33.1 of the Partnership Agreement, which would mean either party may reopen negotiations.

Eliminate Funding for ADA Coordinator and Reasonable Accommodations: C.R.S. 24-50-146 would need to be repealed removing DPA’s mandated role as ADA accommodation oversight and statewide centralized program coordinator. 1.0 FTE would be eliminated. Individual State agencies would be responsible for ensuring their operations and policies are inclusive for people with disabilities and would need to develop their own funding to absorb their own accommodation costs.

Repeal State Procurement Equity Program: C.R.S 24-103-1101 through 24-103-1105 would need to be repealed removing DPAs mandated role as oversight in the development and implementation of strategies to reduce disparities within the procurement process. 5.0 FTE would be eliminated. Individual State agencies would be independently responsible to ensure that their employee training, agency operations and agency policies eliminate disparities within their procurement process.

Bond Assistance Program Cash Fund Transfer: The Bond Assistance Program which falls under the Procurement Equity Office would be eliminated, C.R.S 24-103-1104 would need to be repealed, and 1.0 FTE would be eliminated. This program does not receive additional revenue.



CO L O R A D O

**Department of Personnel
& Administration**

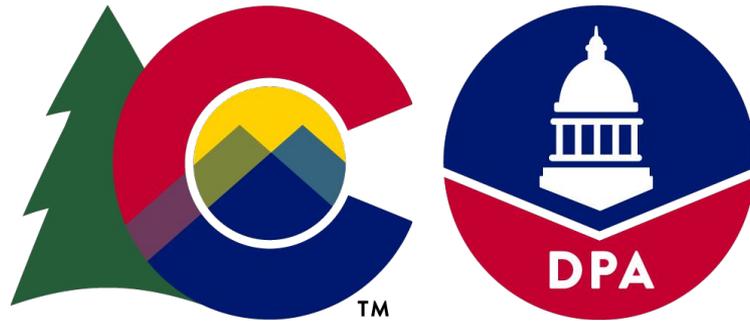
Joint Budget Committee Hearing
December 18, 2025

Joint Budget Committee Hearing

Agenda:

- Department Overview
- Operating Decision Items
- Operating Common Policy Questions
- Statewide Compensation Common Policy Questions
- Budget Reduction Options





Department Overview

FY 2026-27 and Moving Forward

DPA Supports State Government

DPA provides essential centralized services & support in three vital areas

Authority

DPA provides central authority by creating rules, policies, & technical guidance to State government

Services

DPA provides central services needed for government to function efficiently and effectively

Programs

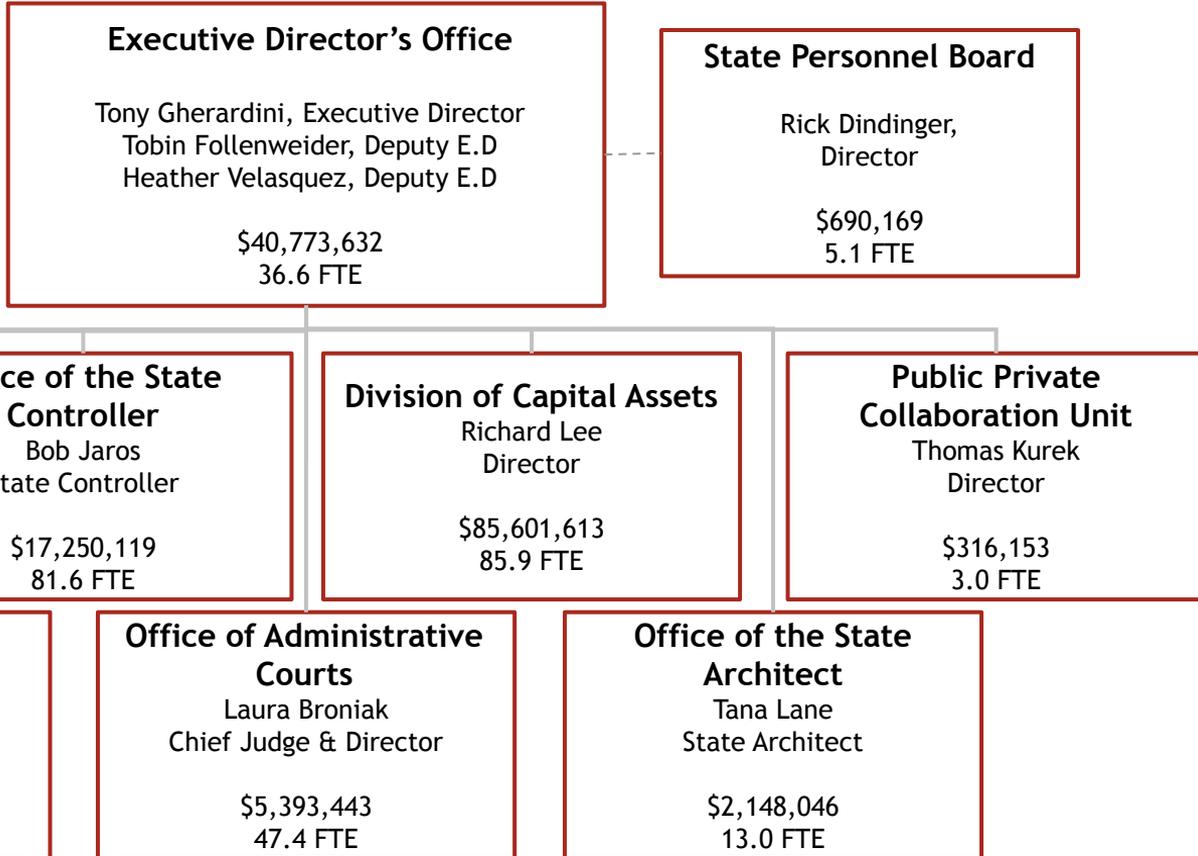
DPA provides central programs offered as valuable services to Colorado residents and State employees



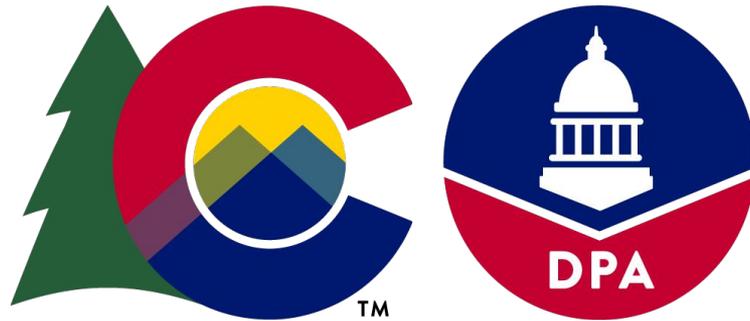
DPA Organizational Chart

FY 2025-26 Summary of Funding

Total funds: \$302,610,382
 General funds: \$35,163,407
 Cash funds: \$ 27,286,866
 Reappropriated funds: \$240,160,109
 Federal Funds: \$0
 Total FTE: 495.9



See Appendix A for textual version



Operating Decision Items

Prioritized Requests for Discussion

Prioritized Request	FTE (FY27)	GF (FY27)	CF (FY27)	RF (FY27)
R-01 CORE Payroll Staffing	9.0	\$0	\$0	\$1,122,250
R-02 OAC Medicaid Staffing	6.2	\$0	\$0	\$722,970
R-03 CORE Continuous Improvement	3.9	\$0	\$0	\$836,049
R-04 Office of Sustainability	2.3	\$605,398	(\$400,000)	\$0
R-05 IDS Technical True-up	0.0	\$0	\$1,051,773	\$2,656,201
R-06 Cornerstone LXP/LMS	0.0	\$714,370	\$0	\$0
R-07 Partnership Agreement Housing Pilot	2.76	\$1,700,000	\$0	\$0
R-08 Annual Fleet Request	0.0	\$0	\$0	\$3,867,949
R-09 DPA Funding Reductions	0.0	(\$491,580)	\$0	\$0
Transfer from SDCF to the General Fund	0.0	(\$6,400,000)		
Total	24.16	(\$3,871,812)	\$651,773	\$9,205,419



R-01: CORE Payroll Staffing

	FY 2026-27 Request	FY 2027-28 Request
Total Funds	\$1,122,250	(\$36,532)
FTE	9.0	10.0
General Fund	\$0	\$0
Cash Funds	\$0	\$0
Reapprop Funds	\$1,122,250	\$1,226,492
OIT Offset (Informational)	\$0	(\$1,263,025)

What does the request seek?

- Staffing to support the new State Payroll replacement system
 - 9.0 FTE and \$1.1M requested in RF (FY27); 10.0 FTE and \$1.2M on-going

Why is it necessary?

- Replace 38-year-old CPPS mainframe system (unreliable)
- Costs offset by savings from decommissioning CPPS

What happens if it's not approved?

- Inability for DPA to:
 - Ensure employees are paid accurately and on time
 - Meet statutory requirements
 - Adhere to OIT Security Standards



R-01: CORE Payroll Staffing

Support FTE Comparison (Other States)

State	Support FTE	Employees Paid	Employees per Support FTE
Utah	39	22,000	564
Arizona	48-65	45,000	692 - 938
Colorado (Proposed)	32 (Total CORE)	45,000	1,406

Support Cost Comparison (Net Savings)

Line Item	FY 2026-27	FY 2027-28	FY 2028-29
Payments to OIT (CPPS Support Savings)	\$0	(\$1,263,025)	(\$1,292,904)
CORE Payroll DI (DPA Staffing Cost)	\$1,122,250	\$1,226,492	\$1,226,492
Net Cost / (Savings)	\$1,122,250	(\$36,532)	(\$66,411)



State Payroll System Common Policy

Question Responses

Please discuss the background, development, and deployment schedule for the new state payroll system (CORE Payroll).

- **What is the anticipated return on investment for this IT system?**
 - The cost to operate/administer CORE Payroll will be equivalent to the current payroll system (CPPS) and offset by corresponding reduced payment to OIT
 - Additionally, the new payroll system will:
 - Reduce risk; payroll processing time; error/rework; printing and distribution
 - Increase productivity and user satisfaction/retention
- **Will the system require additional functionality development in the near-term? If so, what features and functionality are anticipated and what is the targeted deployment date for this development?**
 - SAAS Solution with regular updates



R-06 Cornerstone LXP/LMS Continuation

Fund Type	FY 2026-27 Request	FY 2027-28 Request
Total Funds	\$714,370	\$714,370
FTE	0.0	0.0
General Fund	\$714,370	\$714,370
Cash Funds	\$0	\$0
Reapprop. Funds	\$0	\$0

What does the request seek?

- \$714,370 GF for ongoing costs for the statewide Learning Management/Experience Platform System, Cornerstone

Why is it necessary?

- It's the central, statutorily-required system for delivering and tracking mandatory compliance training for approx. 34,000 employees
- It is the foundation for Skills-Based Hiring and Partnership Agreement training

What happens if it's not approved?

- System shutdown
- No ability to validate statewide compliance training
- Agencies would revert to fragmented, costly, and inaccessible training platforms



R-06 Cornerstone LXP/LMS Continuation

Question Responses

Clarify the distinction between the two different Cornerstone licenses the Department is requesting funds for, and the number of current employees using each system.

- **Cornerstone Content Anytime platform; and**
- **Learning Management System (LMS)/Learning Experience Platform (LXP)**

If about 26,000 State employees have completed trainings on Cornerstone since the software was purchased, why does the Department need to renew/purchase 34,000 licenses?

- **Active Utilization: 26,309 Users (81% of current user base in compliance)**
- **Total User Base: 32,564 (Employees required to have licenses for mandatory training)**
- **34,000 to ensure sufficient licenses for growth & IHE employees**



R-07 Partnership Housing Pilot Program

What does the request seek?

- \$1.7M GF and 2.76 term-limited FTE

Why is it necessary?

- To address employee housing affordability and retention challenges
- Mutually agreed to in Article 32.9 of the Partnership Agreement (PA)
- Continue and expand CSEAP's emergency financial aid program that is losing its external funding

What happens if it's not approved?

- CSEAP emergency financial assistance program will cease. Per C.R.S. 24-50-1111(6), COWINS or the State may reopen negotiations on Article 32.9 of the PA.

Fund Type	FY 2026-27 Request	FY 2027-28 Request
Total Funds	\$1,700,000	\$1,700,000
FTE Term Limited	2.76	3.0
General Fund	\$1,700,000	\$1,700,000
Cash Funds	\$0	\$0
Reappropriated Funds	\$0	\$0



R-07 Partnership Housing Pilot Program

Question Responses

If CSEAP expands the emergency financial assistance grants to State employees, who would qualify for the financial assistance? What would the eligibility criteria be? How will participants be selected in an equitable way?

- Income Criteria
- Minimum Six Months of State Employment

Why did the credit union start providing grant assistance to State employees? How does the current version of the financial assistance program interact with CSEAP, and what is the role and/or requirements for the State?

- An effort to maintain a connection with State employees
- CSEAP administers applications, and the Credit Union administers the funds
- There are no additional requirements of the State



R-07 Partnership Housing Pilot Program

Question Responses

Are the financial assistance grants provided in an emergency? If so, what constitutes an emergency? What kind of situations put State employees in a position to need emergency financial assistance grants?

- Employee-identified emergencies: unexpected expenses, natural or health disasters
- Basic living expenses

Why is the Department proceeding with a grant program prior to conducting a needs assessment on the need for housing financial assistance among State employees?

- Credit Union program terminating Dec. 31, 2025
- Mandated in the Partnership Agreement
- Needs assessment will be conducted



R-07 Partnership Housing Pilot Program

Question Responses

Please provide details on the proposed homeowner down payment assistance program. Are there other creative ways to provide down payment assistance that would not cost the State, but instead generate a return (e.g. Teacher Housing Bill from 2025).

- Structure to be determined by needs assessment

How will an Employer Assistance Housing (EAH) program be scaled? What is the demonstrated need of the program? What would be the costs of scaling the program beyond the pilot to any/all State employees that need assistance?

- Scaling dependent on funding and structure
- Needs assessment will inform implementation



R-07 Partnership Housing Pilot Program

Question Responses

Would any changes to the housing pilot program, as requested, force a reopening of the COWINS Partnership Agreement? Please explain what the repercussions would be of the General Assembly not funding this program.

- Article 33.1 of the Partnership Agreement states, “if the General Assembly rejects any part of the (initial or supplemental) request, or while accepting the requests takes any action which would result in a modification of the terms of the cost item submitted to it, either party may reopen negotiations concerning economic issues.”



R-09 DPA Funding Reductions and Offsets

What does the request seek?

- An ongoing budget reduction of (\$491,580) GF
- One-time transfer of \$6.4M from the Supplier Database Cash Fund to the General Fund.

Why is it necessary?

- To help achieve a balanced state budget by targeting reductions at completed or underutilized programs and transferring excess cash fund reserves.

What happens if it's not approved?

- Funding will remain in the DPA's budget

Fund Type	FY 2026-27 Request	FY 2027-28 Request
Total Funds	(\$491,580)	(\$491,580)
FTE	0.0	0.0
General Fund	(\$491,580)	(\$491,580)
Cash Funds	\$0	\$0
Reappropriated Funds	\$0	\$0



R-09 DPA Funding Reductions and Offsets

Question Responses

Explain what the General Assembly would absolutely need to fund this year for the Statewide Planning program in the Office of the State Architect, given that the Department operated the program with \$8,000 in FY 2025-26. What is the bare minimum given the available revenues and roll-forward funds. How did the Department determine the requested FY 2026-27 appropriation of \$383,420?

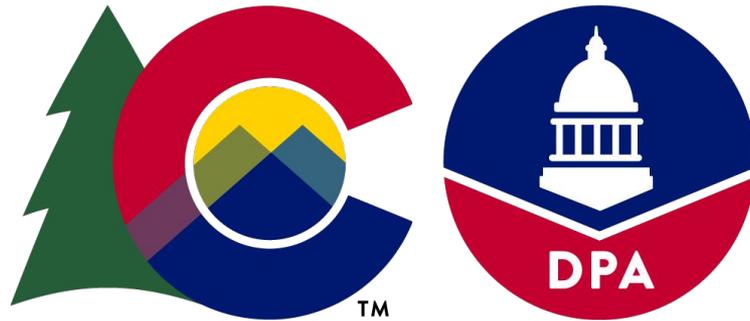
- Estimated FY27 need: \$1,244,985 based on CCCR Agency 5-Year Plans
- Estimated FY27 need: \$383,420 based on current demand
- Roll-forward authority helps reduce funding needs from prior year appropriations



Remaining Decision Items

Prioritized Request	FTE (FY27)	GF (FY27)	CF (FY27)	RF (FY27)
R-02 OAC Medicaid Staffing	6.2	\$0	\$0	\$722,970
R-03 CORE Continuous Improvement	3.9	\$0	\$0	\$836,049
R-04 Office of Sustainability	2.3	\$605,398	(\$400,000)	\$0
R-05 IDS Technical True-up	0.0	\$0	\$1,051,773	\$2,656,201
R-08 Annual Fleet Request	0.0	\$0	\$0	\$3,867,949





Operating Common Policy Questions

Risk Management - Workers' Compensation

Question Responses

Please discuss recent trends in workers' compensation claims payouts.

- National workers compensation trends vary widely across industry and state

Are recent fiscal year claims expenditures in line with or divergent from these trends?

- Colorado claims and expenditures trend upward

What are the factors driving these trends?

- Medical Fee Schedule, Increased Employee Pay, and Increase in Open Claims

What is the role of the State Office of Risk Management in addressing these trends?

- Injury prevention is the key to cost reduction



Capitol Complex Lease Space

Question Responses

One of the Department's Performance Management Plan goals is to reduce state leased and owned space by at least 1.0 million square feet from January 2019 levels by June 30, 2027. Please discuss the Department's efforts achieve this goal.

Does the Department have a coordinated plan for increasing the use of state-owned office space by transitioning state staff from private leased space?

- Yes - have reduced and consolidated 505,580 square feet of leased space and 146,100 square feet of State-owned property

What are the limitations and difficulties the Department faces in meeting its performance goals?

- Additional Funding Requirements
 - Lease buyouts
 - Tenant improvements/build out/relocation costs



Capitol Complex Lease Space

Question Responses

The affordability and availability of parking at state-owned facility lots has been raised as a serious economic issue by state employees. Please discuss the Department's management of parking at state-owned facility lots.

How much state-owned parking is available for state employees and what is the geographic distribution of those lots?

- 885 parking spaces within two blocks of the Colorado State Capitol (Excluding Capitol Parking Circle)
- Managed/Maintained by the State Parking Enterprise

How does the Department ensure compliance with statute while setting parking fees and rates? Please detail the methodology.

- Annual Surveys of comparable parking facilities



Capitol Complex Lease Space

Question Responses

Are there financial relief options provided to state employees for access to state-owned parking?

- Carpool/Vanpool Options
- Monthly Parking Share Program
- Daily Paid Parking Program

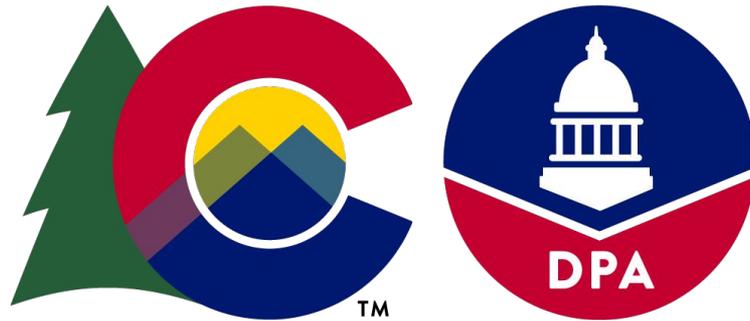
How long is the current waitlist for access to monthly parking at state-owned facility lots?

- 377 employees

How does the Department manage this waitlist and mitigate the time an employee must wait?

- First-Come First-Served Policy





Statewide Compensation Common Policy Questions

Statewide Compensation - HLD

Question Responses

Please speak to GLP-1 costs over time. Are there any data that describe this? If we don't have anything at the state level, are there national data that we can use to estimate impact on the state?

- GLP-1 utilization has grown for diabetes management, weight loss, and an increasing number of FDA-approved conditions since their introduction in 2021.
- Trends in cost per-member-per-month
 - End of FY 2022-23:
 - \$9.45 for diabetes management
 - \$0.39 for anti-obesity indications
 - End of FY 2023-25:
 - \$23.04 for diabetes management
 - \$44.30 for anti-obesity indications



Statewide Compensation - HLD

Question Responses

Have we seen any benefits from the GLP-1 grandfather policy in terms of people's health or savings to the state? If not, are there indications from other states or from the national level that would show improved health outcomes and/or reduced public healthcare expenditure?

- Not yet available for savings to state
- GLP-1 drugs as Anti-Obesity Medication have been shown to prevent a variety of health conditions including cardiovascular disease, liver disease, sleep apnea, arthritis, neurodegenerative disease, etc.



Statewide Compensation - HLD

Question Responses

How does the HLD premium increase for FY 2026-27 compare to estimated increases among other large group employer-provided plans?

- Premiums for other large group employer provided plans are predicted to increase 8.8% on average
- The State's plan increase is in alignment with predicted market trend increases, however additional plan growth is being driven by:
 - Absorbing employee premium increases per the Partnership Agreement
 - GLP-1 impact
 - High cost claims
 - Plan migration
 - Stop loss reimbursement trends
 - Utilization of specialty drugs
 - Partial rebuild of the Premium Stabilization Reserve



Statewide Compensation - HLD

Question Responses

What are we doing as a state through common policies or otherwise to encourage healthier lifestyles for state employees?

- STATE OF HEALTH
- Onsite health coaching
- CSEAP
- GLP-1 coverage



Statewide Compensation - ULAED

Question Responses

Can you provide a detailed explanation of the ULAED contribution rate reduction request? Please speak to the methodology of the reduction, the short- and long-term implications on the unfunded liability, and if there is any plan to pay back the reduction in the future.

- One-time reduction to AED and SAED (collectively ULAED)
 - Currently set at 5% each;
 - Proposal of 4.5% each in FY 2026-27 only
- PERA's automatic adjustment provision (AAP) remains in place
 - Triggered if the blended required contribution rate drops below 98%.
 - The blended rate projection is 101.47% after reduced ULAED



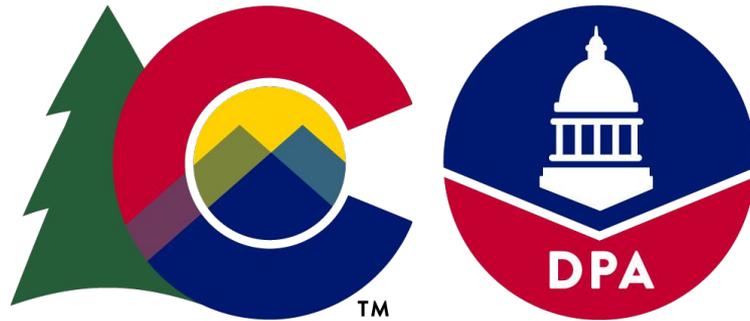
Statewide Compensation - ULAED

Question Responses

What are our options with regards to only reducing the General Fund contribution? Reducing the other fund sources does not help with balancing the budget, so is there a way to still make those contributions to reduce the overall impact?

- Mechanism for reducing ULAED is by reducing maximum contribution rates to AED and SAED, which impacts all funding sources
- Applying only GF may not be feasible for departments
- Difficult to carve out certain fund types due to interaction with federal participation rates





Budget Reduction Options

Unused State-Owned Real Property Fund Transfer

Question Responses

What is the amount of cash in the Unused State-Owned Real Property Fund?

- \$13.6M Fund Balance (Dec. 11, 2025)
- These funds support and are allocated to P3 projects

Please explain the current and anticipated fund balance, and whether the full balance is available as cash.

- \$6.4M Projected Year-End Fund Balance
- The fund consist of cash funds



Unused State-Owned Real Property Fund Transfer

Question Responses

How much of the money in the cash fund originated as General Fund?

- SB23-001: Transferred \$5M from the General Fund (GF) and \$8M from the Housing Development Grant Fund
- SB22-130: Transferred \$15M from the GF to fund development projects aligned with the mission of the P3 Office
- SB22-176: Transferred \$500k from the GF use on Burnham Yard

What is the purpose of the funds in the cash fund? What is the Department currently using the money for?

- Per statute, "... utilize state-owned land that is not currently needed for its optimal use. ... developing affordable housing, child care, public schools, residential mental and behavioral health care, or renewable energy facilities."



End Burnham Yard Cleanup ARPA Program Early

Question Responses

When the property is sold, does the revenue from the sale go to the General Fund? Or would it go to the State-Owned Real Property Fund?

- Burnham Yard sale proceeds repay the CDOT/CTIO debt financing

Did the money for the project originate as General Fund? How much was ARPA-funded, how much was General fund, and how much was from P3 projects funds?

- Funding originated from Colorado Transportation Investment Office (CTIO), an independent government-owned business within CDOT, the landowner.



End Burnham Yard Cleanup ARPA Program Early

Why has the project only spent \$3.6 million of the originally appropriated \$14 million? Please explain how the project plans on spending the remaining \$10.4 million in such a short timeframe given the spending history track record.

- SB22-176 transferred \$500,000 (Evaluation of Site and Stakeholder Engagement)
- \$400,000 from CITO (Property Management Support)
- Clean-up Work
 - December 2024 - \$4M ARPA Funds
 - August 2025 - \$9.8M ARPA Funds
 - Majority of work is complete



(P3) - Glo Park/Pleasant View

Question Responses

Why was the Glo Park project terminated?

- Shifting Priorities of Federal Administration from Renewable Energy to National Security

Please explain and provide details on the current status of the project.

- RFQ Issued with focused on more secure facilities for work protecting the national energy grid



End Round 1 & 2 State Capital Facilities Project Funding ARPA Programs Early

Question Responses

The State is behind on controlled maintenance spending by more than \$2 billion. How does the State have more than \$25 million remaining from the originally appropriated amounts for these two rounds of funding from ARPA for State Capitol projects? Why have the funds not been put to use?

- All but ~\$5M was encumbered by State agencies
- Of the \$161,731,911 in refinanced funds, only \$25M not utilized yet due to:
 - Project Contingency Budgeting of 10%
 - Bidding and Contracting Phase Timing of Equipment/Furniture
- Spending is still occurring



Eliminate Funding for ADA Coordinator and Reasonable Accommodations

Question Responses

Provide a breakdown of expenditures for the ADA Coordinator role. How much of the appropriated amount is spent on FTE and associated costs, and how much is spent on reasonable accommodations. Please provide a breakdown of expenditures specifically for providing reasonable accommodations under the ADA (since this line item was created).

- **FY 2022-23 through FY 2025-26 Expenses:**
 - \$116,853 for ADA Coordinator
 - \$717,558 for ADA Accommodations
- **FY 2022-23 through FY 2025-26 ADA Accommodations Expenses:**
 - \$308,473 (Professional and purchased services, fees, IT, etc)
 - \$409,085 (Transfers to other agencies)



Repeal State Procurement Equity Program

Question Responses

How does the Program measure equity?

- Measured by barriers identified and eliminated

What results has the State Procurement Equity Program created, and what evidence exists to demonstrate the results of the program? Has equity in state procurement improved? If so, provide evidence of what the program has accomplished regarding equity in state procurement.

- Supplier Diversity Navigator and Webinars
- Community Engagement and Amazon Business Functionality
- Apply and Verify
- Communities of Practice and Bond Assistance Program



Repeal State Procurement Equity Program

Question Responses

Since the State Equity Office was created, and the State Procurement Equity Program launched, what is the ongoing demonstrated need for the Equity Office?

- Beginning to establish supplier diversity within all State agencies
- SEO providing technical guides, training, and data
- Agencies have limited capacity

Provide evidence of the value added from the Equity Office since its inception. Why isn't equity built into state procurement as policy?

- Supplier Diversity Navigator and Webinars Developed
- Community Engagement and Amazon Business Functionality Deployed
- Apply and Verify Enacted
- Communities of Practice and Bond Assistance Program in Place
- Equity is currently integrated into procurement policies



Repeal State Procurement Equity Program

Question Responses

Is the State awarding more contracts to underutilized businesses in state procurement contracts? What evidence of reducing disparities from this program/office exists?

- Reduced disparities across underutilized businesses
 - Increased total spend by 29%
- Increased supplier readiness to small and diverse businesses by working with 458 small and diverse businesses
- Showcasing 358 small and diverse business on supplier diversity directory



JBC Staff-identified revenue enhancements and expenditure reductions

Supplemental State Contribution Fund Transfer

- JBC Staff Proposed Option
 - \$1 million transfer to General Fund
- \$5 million already transferred to General Fund in FY 2025-26
- Current projected ending fund balance for FY 2025-26 is \$2.3 million
- Can be impacted if employee HLD premiums increase
- Revenue determined by Tobacco Master Settlement figure setting
- Given the unknowns, Department recommends \$500,000 transfer



JBC Staff-identified revenue enhancements and expenditure reductions

Unused State-Owned Real Property Fund - Options 1 and 2:

- JBC Staff Proposed Options:
 - Reduce \$300k revenue generated from external sources; or
 - Transfer 20% of the anticipated FY27 fund balance to the GF
- Projects are complex and long-term in nature
- Complex planning leveraging private-sector capital and expertise
- Funds earmarked for projects at various stages
- Projects to result in recurring revenue streams; become self-sustaining



JBC Staff-identified revenue enhancements and expenditure reductions

End Burnham Yard Demolition and Cleanup ARPA Program Early:

- JBC Staff Proposed Option:
 - Transfer the unencumbered balance of \$10.4 million to GF
- Completion if critical to redevelopment and purchase agreement
- Public benefit / safety risks reduction
- Essential to future development of site



JBC Staff-identified revenue enhancements and expenditure reductions

End Round 1 State Capital Facilities Project Funding ARPA Program Early:

- JBC Staff Proposed Option
 - Transfer unencumbered balance on projects funded through this legislation of \$11.1 million to the General Fund
- Most projects are nearing completion
- Projects include 10% contingency funds. Analyses by agencies and institutions of higher education indicate \$3.6 million could be available for transfer to the General Fund



JBC Staff-identified revenue enhancements and expenditure reductions

End Round 2 State Capital Facilities Project Funding ARPA Program Early:

- JBC Staff Proposed Option
 - Transfer unencumbered balance on projects funded through this legislation of \$15.4 million to the General Fund
- Round 2 projects are not as far a long, and therefore need to maintain more contingency funds. Analyses by agencies and institutions of higher education indicate \$418,588 could be available for early transfer to the General Fund



JBC Staff-identified revenue enhancements and expenditure reductions

End Office of the State Controller ARPA - Administration Expenses Program

Early:

- JBC Staff Proposed Option
 - Transfer remaining \$3.0 million to the GF
- Funding supports 12.0 term-limited FTE performing reporting and compliance oversight activities to comply with guidance and reporting on \$3.8 billion in State and Local Fiscal Recovery Funds (SLFRF)
- State could not maintain federal compliance
- Personal services cannot be encumbered



JBC Staff-identified revenue enhancements and expenditure reductions

End Office of the State Controller ARPA - Compliance Expenses Program

Early:

- JBC Staff Proposed Option
 - Transfers \$1.7 million to General Fund
- Specialized external consultant to support compliance activities for \$3.8 billion in State and Local Fiscal Recovery Funds (SLFRF)
- State could not maintain federal compliance



JBC Staff-identified revenue enhancements and expenditure reductions

6-Year Average Reversion Reductions to Select Programs

- JBC Staff Proposed Option
 - Reduce appropriations of \$485,391 from select programs (ongoing reduction)
- Negative impact on Department operations, and potential interruption in services provided to other State Agencies
- \$302,937 GF will be reduced from the SAS Personal Services lines in FY 2026-27 and FY 2027-28, eliminating opportunity for reduction
- January 2025 DPA curbed spending to maximize GF reversions



JBC Staff-identified revenue enhancements and expenditure reductions

Repeal Colorado Equity Office:

- JBC Staff Proposed Option
 - \$677,493 General Fund Reduction
- Requires repeal of C.R.S. 24-50-146, which mandates DPA provide State agencies with resources and guidance for compliance with EDI laws and initiatives
- Eliminates 10.0 FTE
- Potential reopening of the Partnership Agreement



JBC Staff-identified revenue enhancements and expenditure reductions

Eliminate Funding for ADA Coordinator and Reasonable Accommodations:

- JBC Staff Proposed Option
 - \$470,413 General Fund Reduction
- Requires repeal of C.R.S. 24-50-146, removing DPA oversight and coordination of agency ADA accommodations
- Eliminates 1.0 FTE
- Agencies would need to identify alternative funding to absorb accommodation costs



JBC Staff-identified revenue enhancements and expenditure reductions

Repeal State Procurement Equity Program:

- JBC Staff Proposed Option
 - \$605,175 General Fund Reduction
- Requires repeal of C.R.S. 24-103-1104, removing DPA oversight in the development and implementation of strategies to reduce disparities within the procurement process
- Eliminates 5.0 FTE
- Agencies would be independently responsible for procurement equity



JBC Staff-identified revenue enhancements and expenditure reductions

Bond Assistance Program Cash Fund Transfer:

- JBC Staff Proposed Option
 - One-time transfer of \$1,625,000 to the General Fund (the average expenditures since 2022) and maintains \$175,000 in the fund
- Program would be eliminated
- 1.0 FTE would be eliminated
- Requires repeal of C.R.S. 24-103-1104

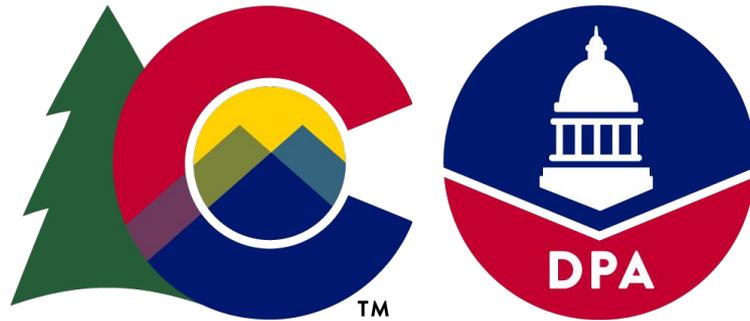


JBC Staff-identified revenue enhancements and expenditure reductions

Eliminate funding for state employee tuition reimbursement:

- JBC Staff Proposed Option
 - Eliminates \$300,000 appropriation supporting the reimbursement of state employees
- Part of the COWINS Partnership Agreement, and could result in reopening
- Already cut by \$200,000 in FY 2025-26





Thank you!