



# JBC Staff Comeback Memos

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# JBC Staff Comeback Corrections

**JBC Staff:** Justin Brakke, (303-866-4958)

**Date:** March 25, 2026

## SI1 Shift Relief Factor

The JBC tabled this item seeking more information about the cost and prioritization by facility.

### JBC Staff Re-revised Recommendation

Staff recommends a net increase of \$10.9 million General Fund and 138.3 FTE at six prisons in the DOC's East Canon City Prison Complex.

East Canon Prison Complex Facilities	DOC Prioritization	CY 2025 Overtime Hours	Non Security Shifts Per Week	FY 26-27 Cost	FY 26-27 FTE	FY 27-28 Cost	FY 27-28 FTE
Fremont	1	85,379	5	\$2,647,891	26.5	\$3,179,947	28.8
Four Mile	2	10,236	4 to 7	636,794	6.4	770,815	7.0
Centennial (North and South)	3	77,419	2	4,062,380	41.0	4,936,412	44.6
Colorado Territorial	4	56,974	5	2,803,316	28.4	3,390,530	30.9
Colorado State Penitentiary	5	56,974	3 to 5	2,819,814	28.8	3,440,450	31.3
Arrowhead	6	10,236	4 to 7	700,050	7.1	847,317	7.7
<b>Subtotal</b>		<b>297,219</b>	<b>23 to 31</b>	<b>\$13,670,245</b>	<b>138.3</b>	<b>\$16,565,472</b>	<b>150.3</b>
Overtime reduction to offset (20% of subtotal)				-2,734,049		-3,313,094	
Net change in appropriations				\$10,936,196		\$13,252,377	

### Reasons for the recommendation

JBC staff agrees that the East Canon complex is a reasonable place to test funding for this purpose. The average apparent correctional officer vacancy rate there (7.4%) is lower than the rest of the DOC prison system (12.6%). This suggests that the Department should be able to fill many of the newly-appropriated positions.

Effective vacancy rates, which include hired positions out on leave, are 15.7% in East Canon and 21.8% elsewhere. All East Canon facilities except for Skyline are requiring non-security personnel to work security positions. Relatedly, East Canon prisons accounted for about 35.0% of overtime hours worked throughout the DOC prison system. These data suggest that funding additional correctional officers in the East Canon Complex may reduce both overtime and security shifts worked by non-security personnel.

Staff proposes a 20% offsetting reduction in the *Overtime* line item. Staff initially suggested a 30% offsetting reduction, but this may be overly optimistic in light of the prisons prioritized above. Sterling, Buena Vista, and the Denver complex are generating as much or more overtime than the six prisons in the East Canon Complex. These prisons will generate even more overtime if the Department is funded for more beds there. In staff's view, a 20% offset is still aggressive, but it is the JBC's prerogative to increase or decrease the offset as it sees fit.

## Caveats

### The assumptions listed below should not be taken for granted in any future request

The Department still needs to adequately explain and justify any part of any future request for funding related to this issue. It should not assume that approval of this funding constitutes a future endorsement of any assumption that it includes. The compressed timeframe means that the underlying calculations may be a little messy and judgments have to be made quickly. JBC staff thinks the calculations are sound enough and the principle is defensible enough to move forward with a test case at East Canon. However, the Executive Branch should not take it for granted and provide thorough justifications in future requests for funding.

### The re-revised recommendation is calculated at a relief factor of 1.8

JBC staff originally recommended a relief factor of 1.76. This was based on the third-party budget evaluation, which analyzed staffing patterns at one prison (Arkansas Valley). The DOC's calculations for the entire prison system suggest the relief factor should be 1.8. Staff thinks it is reasonable to use 1.8 for the test case in East Canon, but the Department should still explain and justify the 1.8 in future requests for funding. The difference in funding between a relief factor 1.8 and 1.76 is about \$2.6 million. Staff's recommended offset to overtime accounts for this difference.

### Correctional Officer I calculated at range minimum, COs II through IV calculated at mid-range

Most entry level correctional officers are hired and paid at the minimum of the salary range, so it makes sense to fund those at the range minimum. However, most higher level correctional officers are actually earning salaries around the mid-range of the pay scale. Anecdotal reports suggest that it can be difficult to convince people to promote to a position with more responsibility if they have been there a while and currently earn more than the range minimum for higher classifications. Staff concludes it is fine to use these assumptions in this test case, with the expectation of a more robust discussion about pay ranges at some point in the future.

Appropriating at the range minimum for correctional officers II through IV would cost about \$530,000 less than the re-revised recommendation.

## Additional information

The following table shows the FY 2026-27 compensation costs by category and job classification. It excludes the offsetting reduction to *Overtime*.

Components	Amount	FTE
Correctional Officer I	\$5,676,962	96.8
Correctional Officer II	2,277,351	30.8
Correctional Officer III	592,037	7.3
Correctional Officer IV	305,781	3.4
<b>Subtotal base salaries</b>	<b>\$8,852,131</b>	<b>138.3</b>
Medicare	128,354	
PERA	1,265,855	
Health, life, and dental	2,233,434	
Short-term disability	6,196	
FAMLI	39,834	
Unfunded PERA Liability	885,215	
<b>Subtotal other compensation</b>	<b>\$4,558,888</b>	
<b>Compensation subtotal</b>	<b>\$13,411,019</b>	

# BA4 Unfunded PERA liability shortfall

The JBC tabled this item pending consideration of JBC staff-initiated 1: Correctional officer shift relief factor.

## Recommendation for FY 2025-26

Staff recommends approval of the supplemental request, which had been postponed to acquire more information. The request clearly demonstrates a shortfall in the current fiscal year. Unbudgeted overtime appears to be the primary culprit.

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Request	\$3,857,995	\$3,857,995	\$0	\$0	\$0	0.0
Original JBC Staff Recommendation	3,857,995	3,857,995	\$0	\$0	\$0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

## Re-revised Recommendation for FY 2026-27

Staff recommends denial of the request for FY 2026-27. Increasing the shift relief factor purports to reduce overtime, which is a key factor driving the unfunded PERA liability shortfall. The re-revised recommendation for the unfunded PERA liability assumes the JBC will move forward with partial funding for the correctional officer shift relief factor. It is possible that the DOC will still experience cost overruns in this area, but other approved changes should improve the Department's financial health with respect to total compensation funding. For example, the JBC approved \$10.0 million for contract clinical staff, where cost overruns were also contributing to total compensation shortfalls.

Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Request	\$3,857,995	\$3,857,995	\$0	\$0	\$0	0.0
Original JBC Staff Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
Re-revised JBC Staff Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
Revised Staff Recommendation Higher/-Lower than Request	-\$3,857,995	-\$3,857,995	\$0	\$0	\$0	0.0

# JBC Staff Comeback

## Statewide Operating Common Policies

**JBC Staff:** Tom Dermody, (303-866-4963)

**Date:** March 25, 2026

During figures setting on February 5<sup>th</sup> for Statewide Operating Common Policies, the Committee tabled a decision on the CORE Operations common policy. On March 25<sup>th</sup>, the Committee approved the Department of Personnel’s comeback (OSPB Comeback #29) regarding *R1 State payroll system common policy*. The Committee’s decision on this comeback is incorporated into staff’s recommendation on the CORE Operations common policy below.

### CORE Operations

CORE Operations is the common policy for the state's accounting and financial reporting system, the Colorado Operations Resource Engine. In FY 2015-16, the COFRS Modernization program was transferred from the Governor's Office of Information Technology to the Division of Accounts and Control in the Department of Personnel and located in a new subdivision known as CORE Operations. Consistent with that change, state agency line items were renamed from COFRS Modernization to CORE Operations.

### CORE Operations Program Costs

The following table outlines total CORE Operations program costs for allocation to state agencies. The table includes program costs, a payment from the Supplier Database Cash Fund, and a fund balance reserve adjustment for the Statewide Financial Information Technology Systems Cash Fund.

**FY 2026-27 CORE Operations Program Costs**

Cost component	FY 2025-26 Appropriation	FY 2026-27			
		Request	Recommend	Difference from Request	Total Adjustment
Personal services	\$2,515,038	\$2,594,385	\$2,594,385	\$0	\$79,347
Benefits POTS	694,161	869,082	869,082	0	174,921
Operating and OIT Common Policies	1,743,143	1,864,566	1,864,566	0	113,321
Operating expenses	59,590	59,590	59,590	0	0
Payments for CORE and support modules	6,159,278	6,159,278	6,159,278	0	0
CORE lease purchase payments	1,269,676	1,269,181	1,269,676	495	0
Indirect costs	247,738	1,869	249,437	247,568	1,699
<b>Program costs subtotal</b>	<b>\$12,688,624</b>	<b>\$12,817,951</b>	<b>\$13,066,014</b>	<b>\$248,063</b>	<b>\$377,390</b>
R3 CORE continuous improvement (as approved)	\$0	-\$15,382	-\$480,000	-\$464,618	0
Supplier Database Cash Fund reserve adjustment	-6,848,171	-4,029,950	-5,029,951	-1,000,001	1,818,220
IT Systems Fund reserve adjustment	-3,758,338	811,703	967,969	156,266	4,726,307
<b>Total for allocation</b>	<b>\$2,082,115</b>	<b>\$9,584,322</b>	<b>\$8,524,032</b>	<b>-\$1,060,290</b>	<b>\$6,441,917</b>

Personal services and operating expenses are based on figure setting recommendations for the next fiscal year. Program share of departmental benefits POTS, OIT, and operating common policy items are estimated by the Department and based on current year appropriations; the Department's request amount differs from the recommended amount by the amount of indirect costs.

Payments for CORE and Support Modules are figure setting recommendations for the next fiscal year. This line item pays for CORE system and modules annual licensing and operating costs to CORE vendors for Managed Services, Labor Data Collection and Electronic Content Management. Indirect costs match those included in the statewide indirect costs plan.

Depreciation provides a 10-year straight-line depreciation schedule for the total value of the CORE asset set of \$46,477,361. The recommendation includes the correct amount of depreciation for this item. Lease-purchase payments are made in the CORE Lease Purchase Payments line item, set at \$1,269,676 for FY 2026-27. However, it is necessary to bill the depreciable value rather than the lease purchase payment in order to properly bill federal sources of revenue for their proportional share of the implementation costs of the system. The straight-line method decreases the amount of variance between fiscal years for depreciation.

### Fund Balance Reserve Adjustment

The staff recommends a 16.5 percent reserve of the prior year fund balance for the Supplier Database Cash Fund and an 8.25 percent reserve for the Statewide Financial Information Technology Systems Cash Fund (SFITS). An 8.25 percent reserve is equal to approximately one month of operating revenue and 16.5 percent is two months. This results in a recommended fund balance reserve adjustment of a reduction of \$5.0 million from the Supplier Database Cash Fund and an increase of \$1.0 million to the SFTIS.

### Supplier Database Cash Fund Reserve Adjustment

The adjustment for the Supplier Database Cash Fund is essentially a payment for CORE Operations from the cash fund.

#### Supplier Database Cash Fund [1]

Recommended Reserve Adjustment	Amounts
<u>FY 2025-26</u>	
Beginning fund balance	\$9,628,881
Revenue	7,167,118
Expenditures	-10,134,522
<b>Ending fund balance</b>	<b>\$6,661,477</b>
<u>FY 2026-27</u>	
Estimated revenue	\$7,167,118
Target reserve %	16.5%
<b>Calculated reserve</b>	<b>1,099,144</b>
Available balance	\$12,729,451
Transfer to General Fund (R9)	-5,400,000
Statewide procurement system (FY 25-26 IT Cap)	-2,299,500
<i>Reserve adjustment</i>	<i>-5,029,951</i>

[1] Figures taken from Schedule 9.

The FY 2025-26 beginning fund balance is taken from the Department's FY 2026-27 budget request Schedule 9 for the Supplier Database Cash Fund created in Section 24-102-202.5 (2)(a), C.R.S. Revenue and expenditure amounts are from Department estimates. The Supplier Database Cash Fund receives revenues from rebates on statewide price agreements. Because this fund is not a typical, common policy operational revenue cash fund, the fund balance target reserve amount is calculated on the prior year ending fund balance. Expenditures from this fund are primarily for the purpose of offsetting the CORE Operations common policy.

**Statewide Financial Information Technology Systems Cash Fund Reserve Adjustment**

The adjustment for the SF-ITS is a more typical reserve adjustment for a common policy operational cash fund. The SF-ITS created in Section 24-30-209 (2)(a), C.R.S., was added effective May 1, 2015. Revenue and expenditures were taken from the Department’s Schedule 9 for the Fund Report. The fund balance reserve amount is calculated on expenditures that include program costs minus depreciation plus CORE Lease Purchase Payments minus payments from the Supplier Database Cash Fund. The following table outlines the fund balance reserve adjustment recommendation.

**Statewide Financial Information Technology Systems Cash Fund [1]**

Recommended Reserve Adjustment	Amounts
<u>FY 2025-26</u>	
Beginning fund balance	\$3,159,694
Revenue	9,467,800
<u>Expenditures</u>	<u>-12,539,251</u>
Ending fund balance	\$88,243
<u>FY 2026-27</u>	
Expenditures	-\$12,802,569
<u>Target reserve %</u>	<u>8.25%</u>
Recommended reserve	\$1,056,212
<i>Reserve adjustment</i>	<i>967,969</i>

[1] Figures taken from Schedule 9.

**State Agency Utilization and Allocation**

The costs of CORE Operations are allocated to state agencies, based upon actual usage for the most recent fiscal year for which actual data is available. The FY 2026-27 allocation is determined by the FY 2024-25 actual utilization.

**CORE Operations FY 2026-27 Recommended Allocation**

Department	FY 2025-26 Appropriation	FY 2026-27				
		Utilization	Request	Recommendation	Difference from Request	Total Adjustment
Agriculture	\$34,321	1.7%	\$163,684	\$145,576	-\$18,108	\$111,255
Corrections	72,316	3.7%	357,811	318,227	-39,584	245,911
Early Childhood	21,441	1.0%	95,098	84,578	-10,520	63,137
Education	53,850	2.2%	214,577	190,838	-23,739	136,988
Governor	80,478	3.4%	328,306	291,986	-36,320	211,508

Department	FY 2025-26 Appropriation	FY 2026-27				
		Utilization	Request	Recommendation	Difference from Request	Total Adjustment
Health Care Policy and Financing	35,879	1.8%	168,970	150,277	-18,693	114,398
Higher Education	44,611	2.1%	203,880	181,325	-22,555	136,714
Human Services	242,237	10.6%	1,012,381	900,384	-111,997	658,147
Judicial	368,488	17.0%	1,628,896	1,448,695	-180,201	1,080,207
Labor and Employment	78,016	3.8%	360,180	320,334	-39,846	242,318
Law	11,522	0.6%	57,206	50,878	-6,328	39,356
Legislature	7,499	0.3%	33,439	29,740	-3,699	22,241
Local Affairs	100,668	5.0%	481,771	428,474	-53,297	327,806
Military and Veteran Affairs	12,261	0.6%	56,184	49,969	-6,215	37,708
Natural Resources	134,921	6.5%	622,117	553,294	-68,823	418,373
Personnel	62,696	2.7%	255,137	226,912	-28,225	164,216
Public Health and Environment	204,021	9.0%	863,883	768,314	-95,569	564,293
Public Safety	84,405	4.3%	412,713	367,056	-45,657	282,651
Regulatory Agencies	68,984	3.1%	298,174	265,187	-32,987	196,203
Revenue	199,018	10.1%	971,643	864,153	-107,490	665,135
State	3,877	0.2%	19,168	17,047	-2,121	13,170
Transportation	28,184	1.3%	126,792	112,765	-14,027	84,581
Treasury	165,485	8.9%	852,312	758,022	-94,290	592,537
Allocation totals	\$2,115,178	100.0%	\$9,584,322	\$8,524,032	-\$1,060,291	\$6,408,853
<i>Percentage change from prior year</i>						<i>303.0%</i>

## CORE Payroll Program Costs

The CORE payroll system received initial funding for the development by the Joint Budget Committee during the 2022 legislative session. The General Assembly has appropriated over \$50.0 million since FY 2022-23 for the development of this new system, which replaces the current 38+ year old payroll system. As the system prepares for deployment, operations and maintenance costs will shift to the Department of Personnel's operating budget. The new CORE payroll module is scheduled for deployment at the beginning of FY 2026-27. The costs of this new system are included in the CORE Operations common policy, as recommended by JBC staff.

### FY 2026-27 CORE Payroll Program Costs

Item	Requested	Approved	Difference
Personal Services	\$869,387	\$744,221	-\$125,166
Benefits POTS	226,248	11,012	-215,236
Operating expenses	26,615	31,648	5,033
<b>Total</b>	<b>\$1,122,250</b>	<b>\$786,881</b>	<b>-\$335,369</b>

## State Agency Utilization and Allocation

The costs of CORE payroll are allocated to state agencies, based upon estimated usage. The FY 2026-27 allocation is determined by state agencies' usage of the old payroll system.

### CORE Payroll FY 2026-27 Recommended Allocation

Department	% Utilization	Requested	Recommended	Difference
Agriculture	1.3%	\$14,068	\$9,864	-\$4,204
Corrections	15.9%	178,557	125,198	-53,359

Department	% Utilization	Requested	Recommended	Difference
Early Childhood	0.8%	8,492	5,954	-2,538
Education	2.2%	24,459	17,150	-7,309
Governor	4.0%	45,238	31,719	-13,519
Health Care Policy & Financing	2.5%	27,540	19,310	-8,230
Higher Education	0.8%	9,481	6,648	-2,833
Human Services	13.0%	145,705	102,163	-43,542
Judicial	14.5%	162,377	113,853	-48,524
Labor & Employment	5.1%	57,071	40,016	-17,055
Law	1.9%	20,861	14,627	-6,234
Legislature	1.5%	16,855	11,818	-5,037
Local Affairs	0.9%	10,205	7,156	-3,050
Military & Veterans Affairs	0.5%	6,096	4,274	-1,822
Natural Resources	6.4%	72,054	50,522	-21,532
Personnel	1.3%	14,394	10,093	-4,302
Public Health & Environment	5.8%	65,644	46,027	-19,617
Public Safety	5.9%	66,208	46,423	-19,785
Regulatory Agencies	1.8%	20,089	14,086	-6,003
Revenue	4.7%	52,212	36,609	-15,603
Secretary of State	0.4%	4,713	3,305	-1,408
Transportation	8.8%	98,311	68,932	-29,379
Treasury	0.1%	1,620	1,136	-484
<b>Total</b>	<b>100.0%</b>	<b>\$1,122,250</b>	<b>\$786,881</b>	<b>-\$335,369</b>

## CORE Operations and Payroll Recommended Allocations

The appropriations for both CORE operations and payroll will appear in the CORE Operations line item in each affected state agency. **Staff recommends that the Committee approve the state agency allocations included in the following table for the CORE Operations common policy.**

### CORE Operations and Payroll Combined Recommended Allocations

Department	FY 2025-26 Appropriation	FY 2026-27			
		Request	Recommendation	Difference from Request	Total Adjustment
Agriculture	\$34,321	\$177,752	\$155,440	-\$22,312	\$121,119
Corrections	72,316	536,368	443,425	-92,943	371,109
Early Childhood	21,441	103,590	90,532	-13,058	69,091
Education	53,850	239,036	207,988	-31,048	154,138
Governor	80,478	373,544	323,706	-49,838	243,228
Health Care Policy and Financing	35,879	196,510	169,587	-26,923	133,708
Higher Education	44,611	213,361	187,973	-25,388	143,362
Human Services	242,237	1,158,086	1,002,547	-155,539	760,310
Judicial	368,488	1,791,273	1,562,548	-228,725	1,194,060
Labor & Employment	78,016	417,251	360,350	-56,901	282,334
Law	11,522	78,067	65,505	-12,562	53,983
Legislature	7,499	50,294	41,558	-8,736	34,059
Local Affairs	100,668	491,976	435,630	-56,347	334,962
Military and Veterans Affairs	12,261	62,280	54,243	-8,037	41,982
Natural Resources	134,921	694,171	603,816	-90,355	468,895
Personnel	62,696	269,531	237,005	-32,527	174,309
Public Health and Environment	204,021	929,527	814,341	-115,186	610,320
Public Safety	84,405	478,921	413,479	-65,442	329,074

Department	FY 2025-26 Appropriation	FY 2026-27			
		Request	Recommendation	Difference from Request	Total Adjustment
Regulatory Agencies	68,984	318,263	279,273	-38,990	210,289
Revenue	199,018	1,023,855	900,762	-123,093	701,744
Secretary of State	3,877	23,881	20,352	-3,529	16,475
Transportation	28,184	225,103	181,697	-43,406	153,513
Treasury	165,485	853,932	759,158	-94,774	593,673
<b>Total</b>	<b>\$2,115,178</b>	<b>\$10,706,572</b>	<b>\$9,310,913</b>	<b>-\$1,395,659</b>	<b>\$7,195,735</b>