D 007 01 EXECUTIVE ORDER

Designating the Colorado Combined Campaign for the purposes of C.R.S. §24-50-104(8)(c)

Pursuant to the authority vested in the Office of the Governor of the State of Colorado, I, Bill Owens, Governor of the State of Colorado, hereby issue this Executive Order identifying the Colorado Combined Campaign as the sole entity authorized as "state-sponsored for all state employees" and defining the policy of the State regarding payroll deductions.

1. Background and Need

In 1996, the General Assembly adopted broad reforms of the personnel system. Specifically, the legislature adopted and Governor Romer signed a bill that repealed the automatic approval of all written requests for state government implemented payroll deductions in favor of the provision that is the law today. Pursuant to those statutory reforms, the Department of Personnel /General Support Services ("GSS") is required to undertake a review of all payroll deductions processed by the State Colorado. This duty is entrusted to the Executive Director of GSS or the director's designee to regulate, approve and review all payroll deductions other than those expressly authorized by statute (such as federal tax withholdings) or those that are state sponsored for all state employees. This second category was not defined by the legislature.

For some time, the State of Colorado has accepted the administrative burden of processing personal payroll deductions for employees and sending those payments to other institutions and organizations. In fact, the State currently processes an unidentified number of payroll deduction requests monthly. The Executive Director of GSS is now undertaking a review of all payroll deductions processed by the State of Colorado.

As a policy, state government should not use taxpayer resources to duplicate services that can be provided by the private sector. Payroll deduction services should be used for administrative convenience to the State to reduce the burdens on state government in providing employment related services to its employees. Individuals who choose to deduct from their accounts for personal reasons have the ability to arrange for personal deductions through their private financial institutions. Privately arranged transactions function as effectively as the current

state administered payroll deductions and provide greater privacy protection for an employee's individual deduction choices.

2. <u>Designation</u>

Because Colorado Revised Statute §24-50-104(8)(c) does not specifically define which entities are "state-sponsored for all state employees," the executive branch must adopt a policy that is most consistent with the intent of the legislature. The legislative history for this provision indicates that the General Assembly intended this provision to allow for contributions that fund the Colorado Combined Campaign's charitable activities. Having no additional criteria to apply, I designate the Colorado Combined Campaign as the only entity "state sponsored for all state employees" in C.R.S. §24-50-104(8)(c).

3. Directive

- A. I direct the Executive Director of GSS to conduct the statutorily required review of all requests for payroll deductions within the director's authority, consistent with the policy expressed in this Executive Order.
- B. I direct the Executive Director of GSS to continue all deductions that are "state-sponsored for all state employees," consistent with the designation contained in this Executive Order.

4. <u>Past Orders Superceded and Replaced</u>

This Executive Order shall supercede and replace all previous Executive Orders pertaining to payroll deduction processing.

5. Duration

This Executive Order shall remain in force until further modification or rescission by the Governor.

Given under my hand and the Executive Seal of the State of Colorado, this 25th day of May, 2001.

Bill Owens Governor