

FY 2009-2010

BUDGET PACKAGE

AND

LONG BILL NARRATIVE

JOINT BUDGET COMMITTEE

STATE OF COLORADO

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Al White

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Don Marostica

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 6, 2009

To: Members of the Sixty-seventh General Assembly

The Joint Budget Committee (JBC) submits for your approval the FY 2009-10 Long Bill (Senate Bill 09-259), and its companion document, this Long Bill Narrative. The JBC used the Legislative Council Staff March 2009 revenue estimates to develop the FY 2009-10 budget.

The State's economy is projected to generate less General Fund and cash fund revenues than the TABOR limit allows in FY 2009-10. It is anticipated that revenues will continue to fall short of the allowable limit on total General Fund and cash fund revenues in FY 2010-11 and FY 2011-12.

The March 2009 forecast indicates that General Fund revenues will decline by \$811.6 million (10.5 percent) in FY 2008-09 and by another \$98.1 million (1.4 percent) in FY 2009-10. Thus, revenues will not be sufficient to support the level of operating appropriations statutorily allowed. This statutory limit restricts the increase in General Fund appropriations to no more than 6.0 percent over the prior year General Fund appropriation. For FY 2008-09, General Fund appropriations could increase by a maximum of \$427.2 million. However, projected General Fund revenues will not support this level of increase. The FY 2008-09 budget submitted by the JBC in this budget package, including further mid-year adjustments, reflects a growth of \$280.9 million (3.9 percent) over FY 2007-08.

General Fund appropriations subject to the statutory six percent limit for FY 2009-10 as submitted by the JBC total \$7,469.1 million, an increase of \$68.3 million (0.9 percent) over the recommended FY 2008-09 appropriation level of \$7,400.8 million General Fund. The recommended FY 2009-10 Long Bill contains General Fund appropriations of \$7,354.3 million, including \$7,234.6 million subject to the statutory limit. In addition to the FY 2009-10 Long Bill, the JBC has introduced several bills as part of the overall FY 2009-10 budget recommendation. These bills increase General Fund appropriations by \$140.7 million, including \$232.1 million subject to the statutory limit and a reduction of \$91.4 million not subject to the statutory limit. Also included is \$2.4 million for statutory five year sentencing appropriations.

Due to the economic conditions the State faces, the JBC recommendations for capital projects in FY 2008-09 and FY 2009-10 reflect the freezing of projects that are not essential in order to make moneys available for transfer to the General Fund. For details on the projects that have been impacted by this suggested action, see the capital construction portion of the Long Bill narrative.

The proposed budget provides the following significant annual General Fund changes:

- \$146.2 million (4.7 percent) increase for K-12 education;
- \$22.0 million increase (3.3 percent) for the Department of Corrections;
- \$15.3 million increase (1.0 percent) for the Department of Health Care Policy and Financing;
- \$13.6 million increase (4.2 percent) for the Judicial Branch;
- \$5.3 million decrease (-0.8 percent) for the Department of Human Services; and
- \$124.2 million decrease (-15.9 percent) for the higher education system.

Respectfully submitted,

Printed version signed by members.

Senator Moe Keller, Chairman

Representative Jack Pommer, Vice-Chairman

Senator Abel Tapia

Representative Mark Ferrandino

Senator Al White

Representative Don Marostica

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FY 2008-09 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	326.6
General Fund Nonexempt Revenues		6,839.0
General Fund Exempt Revenues		92.3
Transfer to Older Coloradans Fund		(8.8)
Cash Fund Transfers		349.5 ^{a/}
Policy Changes that Increased Revenues		18.9 ^{b/}
Federal K-12 Stimulus Money		24.6
S.B. 97-1 Diversion		0.0
Total General Fund Available	\$	7,642.1
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations as Adjusted by Supplementals	\$	7,413.7 ^{c/}
Other General Fund Appropriations - Not Exempt from 6.0 Percent Limit		(13.1) ^{d/}
Other General Fund Appropriations - Exempt from 6.0 Percent Limit		0.2 ^{e/}
Capital Construction Transfer		24.9 ^{f/}
Transfer of Prior Year Excess Reserve to HUTF		28.7
Transfer of Prior Year Excess Reserve to Capital Construction Fund		14.4
Transfer to Controlled Maintenance Trust Fund		0.0
Rebates and Expenditures		131.2
Homestead Exemption		85.2
Federal Medical Assistance Percentage (FMAP)		(196.6)
Total General Fund Obligations	\$	7,488.6
4% STATUTORY GENERAL FUND RESERVE	\$	296.0
REDUCTION TO 2 % AS REFLECTED IN SB 09-219	\$	148.0
EXCESS GENERAL FUND RESERVE (BASED ON 2 % RESERVE):	\$	5.5
^{a/} Includes (\$2.9) million from H.B. 08-1078, \$224.0 million from S.B. 09-208, \$1.2 million from S.B. 09-210, \$9.4 million from S.B. 09-269, \$5.0 million from S.B. 09-270. and \$112.7 million from S.B. 09-279.		
^{b/} Includes \$18.9 million from S.B. 09-264.		
^{c/} Does not include Rebates and Expenditures which are included in the Long Bill for informational purposes.		
^{d/} Includes (\$0.5) million from S.B. 09-206, (\$2.1) million from S.B. 09-207, (\$0.3) million from S.B. 209, (\$1.3) million from S.B. 09-215, (\$3.0) million from S.B. 09-261, (\$3.7) million from S.B. 09-263, and (\$2.2) million from S.B. 09-264.		
^{e/} Includes \$0.2 million from S.B. 07-226.		
^{f/} Includes \$20.0 million from H.B. 08-1376 and \$4.9 million for 5-year sentencing bills.		

FY 2009-10 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	153.5
General Fund Nonexempt Revenues		6,833.2
General Fund Exempt Revenues		0.0
Transfer to Older Coloradans Fund		(10.9)
Cash Fund Transfers		614.7 ^{a/}
Policy Changes that Increased Revenues		72.4 ^{b/}
Federal K-12 Stimulus Money		37.0
S.B. 97-1 Diversion		0.0
Total General Fund Available	\$	7,699.9
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations as Adjusted by Supplementals	\$	7,237.0 ^{c/}
Other General Fund Appropriations - Not Exempt from 6.0 Percent Limit		232.1 ^{d/}
Other General Fund Appropriations - Exempt from 6.0 Percent Limit		0.0
Capital Construction Transfer		2.0 ^{e/}
Transfer of Prior Year Excess Reserve to HUTF		0.0
Transfer of Prior Year Excess Reserve to Capital Construction Fund		0.0
Transfer to Controlled Maintenance Trust Fund		0.0
Rebates and Expenditures		139.4
Homestead Exemption		0.0
Federal Medical Assistance Percentage (FMAP)		(293.9)
Total General Fund Obligations	\$	7,316.6
4% STATUTORY GENERAL FUND RESERVE	\$	298.8
REDUCUTION TO 2% AS REFLECTED IN SB 09-277	\$	149.4
EXCESS GENERAL FUND RESERVE:	\$	233.9
^{a/} Includes \$2.4 million from S.B. 09-210, \$3.0 million from S.B. 09-270, \$500.0 million from S.B. 09-273, and \$109.3 million from S.B. 09-279. ^{b/} Includes \$2.5 million from S.B. 09-259, \$31.0 million from S.B. 09-264, \$7.8 million from S.B. 09-266, \$31.1 million from S.B. 09-275. ^{c/} Does not include Rebates and Expenditures which are included in the Long Bill for informational purposes. ^{d/} Includes \$32.5 million from S.B. 09-224, (\$6.0) million from S.B. 09-261, (\$0.9) million from S.B. 0-262, (\$17.1) million from S.B. 09-263, (\$3.1) million from S.B. 09-264, (\$35.6) million from S.B. 09-265, (\$4.0) million from S.B. 09-267, (\$0.3) million from S.B. 09-268, (\$20.0) million from S.B. 09-271, \$300.5 million from S. B. 09-273, (\$16.2) million from S.B. 09-274, and \$2.4 million for 5-year sentencing bills. ^{e/} Includes \$2.0 million for 5-year sentencing bills.		

"REFERENDUM C" (Passed in 2006) GENERAL FUND EXEMPT SUMMARY

The following table summarizes the General Fund Exempt appropriations made in compliance with Sections 24-77-104.5 (1) (a) and 24-77-103.6 (2), C.R.S.:

"Referendum C" General Fund Exempt Appropriations by Program in the 2009 Long Bill (Dollars in Millions)				
Department	Long Bill Line Item/Bill Number	FY 07-08	FY 08-09	FY 09-10
Education	State Share of Districts' Total Program Funding	\$381.3	\$39.3	\$0.0
HCPF	Medical Services Premiums Totals	381.3	39.3	0.0
Higher Education	College Opportunity Fund Program - Stipends	348.1	0.8	0.0
Local Affairs	Volunteer Firefighter Retirement Plans	3.8	4.0	0.0
Treasury	Fire and Police Pension Association - Old Hire Plans	34.8	0.0	0.0
Transportation	Capital Transfer Bill	20.0	9.0	0.0
	Total General Fund Exempt	\$1,169.3	\$92.4	\$0.0

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Joint Budget Committee FY 2009-10 Budget Balancing Package

General Fund Revenue Enhancements Summary Table

General Fund Statutory Revenue Changes:

S.B. 09-279 (Cash Fund Transfer to Augment General Fund)	\$109,306,374
S.B. 09-273 (Pinnacol Assurance)	500,000,000
S.B. 09-275 (Eliminate Sales Tax Vendor Fee)	31,100,000
S.B. 09-264 (Increased Medicaid Federal Match)	18,916,064
S.B. 09-272 (Colorado High Cost Fund)	15,000,000
S.B. 09-266 (Noncitizen Old Age Eligibility Pension)	7,755,215
S.B. 09-270 (Tobacco Tax Investment Income Transfers)	3,000,000
S.B. 09-259 (Transfer Insurance Premium Tax Revenue)	2,500,000
S.B. 09-210 (Tobacco Dollar Transfer Bill)	<u>2,400,000</u>
Subtotal	\$689,977,653

Appropriation Summary Table

Item	Total	General Fund*	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Current FY 2008-09 Appropriation	\$18,623,674,975	\$7,566,059,083	\$5,338,908,116	\$1,552,196,235	\$4,166,511,541	50,929.6
Long Bill Supplemental Changes	0	(24,905,406)	(311,264,226)	4,414,178	367,693,295	16.0
Bills Affecting FY 2008-09	<u>(1,898,429)</u>	<u>(8,861,209)</u>	<u>6,530,667</u>	<u>(1,769,566)</u>	<u>2,201,679</u>	<u>0.0</u>
Adjusted FY 2008-09 Appropriation	18,657,714,387	7,532,292,468	5,034,174,557	1,554,840,847	4,536,406,515	50,945.6
Eliminate One-time Appropriation	(441,529)	(441,529)	0	0	0	0.0
Statutory Appropriations	2,806,383	2,403,613	402,770	0	0	0.0
FY 2009-10 Long Bill Changes	(83,838,090)	(145,292,839)	473,575,402	(381,588,115)	(30,532,538)	1,438.0
Bills Affecting FY 2009-10	<u>363,929,283</u>	<u>106,040,321</u>	<u>29,191,638</u>	<u>288,291,184</u>	<u>(59,593,860)</u>	<u>0.0</u>
Recommended FY 2009-10 Appropriation	18,940,170,434	7,495,002,034	5,537,344,367	1,461,543,916	4,446,280,117	52,383.6
<i>Total Annual Dollar Change:</i>	<i>\$282,456,047</i>	<i>(\$37,290,434)</i>	<i>\$503,169,810</i>	<i>(\$93,296,931)</i>	<i>(\$90,126,398)</i>	<i>1,438.0</i>
<i>Total Annual Percent Change:</i>	<i>1.5%</i>	<i>-0.5%</i>	<i>10.0%</i>	<i>-6.0%</i>	<i>-2.0%</i>	<i>2.8%</i>

* Please note: General Fund amounts include dollars considered "General Fund Exempt"

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
AGRICULTURE						
Current FY 2008-09 Appropriation	\$39,050,930	\$7,223,168	\$26,796,487	\$1,065,306	\$3,965,969	291.8
S.B. 09-259 (Long Bill changes)	<u>697,886</u>	<u>63,346</u>	<u>545,458</u>	<u>55,300</u>	<u>33,782</u>	<u>0.6</u>
Proposed FY 2009-10 Appropriation - Agriculture	\$39,748,816	\$7,286,514	\$27,341,945	\$1,120,606	\$3,999,751	292.4
Total Change:	\$697,886	\$63,346	\$545,458	\$55,300	\$33,782	0.6
Percent Change:	1.8%	0.9%	2.0%	5.2%	0.9%	0.2%
CORRECTIONS						
Current FY 2008-09 Appropriation	\$755,033,828	\$671,040,199	\$40,403,573	\$42,294,502	\$1,295,554	6,582.9
Long Bill Supplemental	<u>(1,149,470)</u>	<u>(4,091,942)</u>	<u>2,942,472</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
Adjusted FY 2008-09 Appropriation	753,884,358	666,948,257	43,346,045	42,294,502	1,295,554	6,583.9
S.B. 09-259 (Long Bill changes)	15,211,613	19,590,324	(3,266,485)	(412,179)	(700,047)	43.0
Statutory Appropriations	<u>2,806,383</u>	<u>2,403,613</u>	<u>402,770</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Corrections	\$771,902,354	\$688,942,194	\$40,482,330	\$41,882,323	\$595,507	6,626.9
Total Change:	\$18,017,996	\$21,993,937	(\$2,863,715)	(\$412,179)	(\$700,047)	43.0
Percent Change:	2.4%	3.3%	-6.6%	-1.0%	-54.0%	0.7%
EDUCATION						
Current FY 2008-09 Appropriation	\$4,251,885,190	\$3,111,907,229	\$624,673,114	\$17,651,668	\$497,653,179	536.1
Long Bill Supplemental	<u>(1,791,955)</u>	<u>(17,511,377)</u>	<u>15,719,422</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
S.B. 09-260 (School Lands Moneys)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2008-09 Appropriation	4,250,093,235	3,094,395,852	640,392,536	17,651,668	497,653,179	536.1
S.B. 09-259 (Long Bill changes)	439,491,306	146,241,720	175,294,297	5,130,395	112,824,894	15.9
S.B. 09-269 (Tobacco Funds Allocation)	<u>(165,296)</u>	<u>0</u>	<u>(165,296)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Education	\$4,689,419,245	\$3,240,637,572	\$815,521,537	\$22,782,063	\$610,478,073	552.0
Total Change:	\$439,326,010	\$146,241,720	\$175,129,001	\$5,130,395	\$112,824,894	15.9
Percent Change:	10.3%	4.7%	27.3%	29.1%	22.7%	3.0%
GOVERNOR						
Current FY 2008-09 Appropriation	\$135,123,718	\$13,443,436	\$38,499,601	\$50,198,695	\$32,981,986	376.7
S.B. 09-259 (Long Bill changes)	<u>(13,988,506)</u>	<u>(1,622,265)</u>	<u>(12,537,996)</u>	<u>172,762</u>	<u>(1,007)</u>	<u>(0.6)</u>
Proposed FY 2009-10 Appropriation - Governor	\$121,135,212	\$11,821,171	\$25,961,605	\$50,371,457	\$32,980,979	376.1
Total Change:	(\$13,988,506)	(\$1,622,265)	(\$12,537,996)	\$172,762	(\$1,007)	(0.6)
Percent Change:	-10.4%	-12.1%	-32.6%	0.3%	0.0%	-0.2%

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HEALTH CARE POLICY AND FINANCING						
Current FY 2008-09 Appropriation	\$3,871,265,384	\$1,580,738,458	\$373,134,219	\$24,948,578	\$1,892,444,129	269.2
Long Bill Supplemental	13,307,875	(3,582,082)	9,362,639	(29,199)	7,556,517	0.0
S.B. 09-261 (OAP Supplemental Fund)	0	(3,000,000)	3,000,000	0	0	0.0
S.B. 09-263 (Nursing Facility Payments)	0	(3,711,959)	3,711,959	0	0	0.0
S.B. 09-264 (Maximize Federal Match)	(2,148,113)	(2,149,250)	(51,292)	(2,149,250)	2,201,679	0.0
Adjusted FY 2008-09 Appropriation	3,882,425,146	1,568,295,167	389,157,525	22,770,129	1,902,202,325	269.2
S.B. 09-259 (Long Bill changes)	238,999,335	98,155,939	20,077,622	5,965,342	114,800,432	5.8
S.B. 09-261 (OAP Supplemental Fund)	0	(6,000,000)	6,000,000	0	0	0.0
S.B. 09-262 (B&C Cancer Pgm)	0	(896,290)	896,290	0	0	0.0
S.B. 09-263 (Nursing Facility Payments)	(34,277,202)	(17,140,089)	1,488	0	(17,138,601)	0.0
S.B. 09-264 (Maximize Federal Match)	(4,201,653)	(3,160,000)	(4,159,407)	(103,000)	3,220,754	0.0
S.B. 09-265 (CHP+ Payment Timing)	(87,965,506)	(35,605,549)	(6,683,944)	0	(45,676,013)	0.0
S.B. 09-269 (Tobacco Funds Allocation)	(104,536)	0	(104,536)	0	0	0.0
S.B. 09-271 (Emergency Use Tobacco Revenue)	0	(20,000,000)	20,000,000	0	0	0.0
Proposed FY 2009-10 Appropriation - Health Care Policy and Financing	\$3,994,875,584	\$1,583,649,178	\$425,185,038	\$28,632,471	\$1,957,408,897	275.0
Total Change:	\$112,450,438	\$15,354,011	\$36,027,513	\$5,862,342	\$55,206,572	5.8
Percent Change:	2.9%	1.0%	9.3%	25.7%	2.9%	2.2%
HIGHER EDUCATION						
Current FY 2008-09 Appropriation	\$2,725,901,821	\$782,937,855	\$1,224,926,051	\$697,807,802	\$20,230,113	19,803.3
Long Bill Supplemental	30,000,000	0	0	0	30,000,000	0.0
Adjusted FY 2008-09 Appropriation	2,755,901,821	782,937,855	1,224,926,051	697,807,802	50,230,113	19,803.3
S.B. 09-259 (Long Bill changes)	(607,019,767)	(424,730,299)	149,020,709	(403,832,856)	72,522,679	1,151.6
S.B. 09-273 (Pinnacol Assurance)	588,885,983	300,495,615	0	288,390,368	0	0.0
H.B. 09-1267 (Sectarian Institutions)	43,245	43,245	0	0	0	0.0
S.B. 09-269 (Tobacco Funds Allocation)	(262,571)	0	(262,571)	0	0	0.0
Proposed FY 2009-10 Appropriation - Higher Education	\$2,737,548,711	\$658,746,416	\$1,373,684,189	\$582,365,314	\$122,752,792	20,954.9
Total Change:	(\$18,353,110)	(\$124,191,439)	\$148,758,138	(\$115,442,488)	\$72,522,679	1,151.6
Percent Change:	-0.7%	-15.9%	12.1%	-16.5%	144.4%	5.8%
HUMAN SERVICES						
Current FY 2008-09 Appropriation	\$2,119,299,480	\$678,719,298	\$349,940,640	\$425,813,755	\$664,825,787	5,528.1
Long Bill Supplemental	19,623,808	279,995	94,623	4,443,377	14,805,813	0.0
Adjusted FY 2008-09 Appropriation	2,138,923,288	678,999,293	350,035,263	430,257,132	679,631,600	5,528.1
S.B. 09-259 (Long Bill changes)	40,504,221	(1,247,377)	485,916	19,771,131	21,494,551	50.4
S.B. 09-269 (Tobacco Funds Allocation)	(80,379)	0	(80,379)	0	0	0.0
S.B. 09-267 (Residential Placements)	0	(4,028,564)	4,028,564	0	0	0.0
Proposed FY 2009-10 Appropriation - Human Services	\$2,179,347,130	\$673,723,352	\$354,469,364	\$450,028,263	\$701,126,151	5,578.5
Total Change:	\$40,423,842	(\$5,275,941)	\$4,434,101	\$19,771,131	\$21,494,551	50.4
Percent Change:	1.9%	-0.8%	1.3%	4.6%	3.2%	0.9%

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
JUDICIAL						
Current FY 2008-09 Appropriation	\$432,637,718	\$325,942,329	\$98,439,018	\$5,966,106	\$2,290,265	4,084.7
S.B. 09-259 (Long Bill changes)	24,549,785	13,978,310	6,682,031	1,749,289	2,140,155	78.5
S.B. 09-268 (Court Appointments)	(337,000)	(337,000)	0	0	0	0.0
Proposed FY 2009-10 Appropriation - Judicial	\$456,850,503	\$339,583,639	\$105,121,049	\$7,715,395	\$4,430,420	4,163.2
Total Change:	\$24,212,785	\$13,641,310	\$6,682,031	\$1,749,289	\$2,140,155	78.5
Percent Change:	5.6%	4.2%	6.8%	29.3%	93.4%	1.9%
LABOR AND EMPLOYMENT						
Current FY 2008-09 Appropriation	\$161,218,546	\$0	\$62,240,246	\$1,621,481	\$97,356,819	1,124.7
Long Bill Supplemental	69,711	0	69,711	0	0	0.0
Adjusted FY 2008-09 Appropriation	161,288,257	0	62,309,957	1,621,481	97,356,819	1,124.7
S.B. 09-259 (Long Bill changes)	(\$3,201,342)	\$0	(\$647,912)	\$2,934	(\$2,556,364)	0.0
Proposed FY 2009-10 Appropriation - Labor and Employment	\$158,086,915	\$0	\$61,662,045	\$1,624,415	\$94,800,455	1,124.7
Total Change:	(\$3,201,342)	\$0	(\$647,912)	\$2,934	(\$2,556,364)	0.0
Percent Change:	-2.0%	N/A	-1.0%	0.2%	-2.6%	0.0%
DEPARTMENT OF LAW						
Current FY 2008-09 Appropriation	\$47,776,818	\$8,855,044	\$8,117,746	\$29,706,977	\$1,097,051	392.4
S.B. 09-259 (Long Bill changes)	378,702	1,213,540	(1,428,043)	397,194	196,011	1.8
Proposed FY 2009-10 Appropriation - Department of Law	\$48,155,520	\$10,068,584	\$6,689,703	\$30,104,171	\$1,293,062	394.2
Total Change:	\$378,702	\$1,213,540	(\$1,428,043)	\$397,194	\$196,011	1.8
Percent Change:	0.8%	13.7%	-17.6%	1.3%	17.9%	0.5%
LEGISLATURE						
Current FY 2008-09 Appropriation	\$35,902,707	\$34,889,177	\$207,030	\$806,500	\$0	277.1
S.B. 09-259 (Long Bill changes)	277,086	27,086	0	250,000	0	0.0
S.B. 09-224 Legislative Appropriation*	276,638	246,212	26,610	3,816	0	0.0
Proposed FY 2009-10 Appropriation - Legislature	\$36,456,431	\$35,162,475	\$233,640	\$1,060,316	\$0	277.1
Total Change:	\$553,724	\$273,298	\$26,610	\$253,816	\$0	0.0
Percent Change:	1.5%	0.8%	12.9%	31.5%	N/A	0.0%
* These dollars reflect the difference between FY 2008-09 and FY 2009-10. The legislation's full fiscal impact is listed in the "Special Bills" section.						
LOCAL AFFAIRS						
Current FY 2008-09 Appropriation	\$263,367,107	\$12,352,639	\$190,783,749	\$5,324,722	\$54,905,997	180.5
S.B. 09-259 (Long Bill changes)	106,821,345	(400,085)	67,877,406	834,409	38,509,615	6.0
Proposed FY 2009-10 Appropriation - Local Affairs	\$370,188,452	\$11,952,554	\$258,661,155	\$6,159,131	\$93,415,612	186.5
Total Change:	\$106,821,345	(\$400,085)	\$67,877,406	\$834,409	\$38,509,615	6.0
Percent Change:	40.6%	-3.2%	35.6%	15.7%	70.1%	3.3%

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
MILITARY AFFAIRS						
Current FY 2008-09 Appropriation	\$203,004,874	\$5,685,713	\$958,889	\$653,509	\$195,706,763	1,386.9
S.B. 09-259 (Long Bill changes)	<u>225,654</u>	<u>217,536</u>	<u>11,870</u>	<u>0</u>	<u>(3,752)</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Military Affairs	\$203,230,528	\$5,903,249	\$970,759	\$653,509	\$195,703,011	1,386.9
Total Change:	\$225,654	\$217,536	\$11,870	\$0	(\$3,752)	0.0
Percent Change:	0.1%	3.8%	1.2%	0.0%	0.0%	0.0%
NATURAL RESOURCES						
Current FY 2008-09 Appropriation	\$234,169,579	\$31,057,499	\$178,401,019	\$7,377,769	\$17,333,292	1,546.8
S.B. 09-259 (Long Bill changes)	<u>(20,047,367)</u>	<u>(872,006)</u>	<u>(19,329,965)</u>	<u>(67,035)</u>	<u>221,639</u>	<u>(1.7)</u>
Proposed FY 2009-10 Appropriation - Natural Resources	\$214,122,212	\$30,185,493	\$159,071,054	\$7,310,734	\$17,554,931	1,545.1
Total Change:	(\$20,047,367)	(\$872,006)	(\$19,329,965)	(\$67,035)	\$221,639	(1.7)
Percent Change:	-8.6%	-2.8%	-10.8%	-0.9%	1.3%	-0.1%
PERSONNEL AND ADMINISTRATION						
Current FY 2008-09 Appropriation	\$148,504,532	\$5,784,722	\$6,667,669	\$136,052,141	\$0	392.9
Long Bill Supplemental	<u>379,684</u>	<u>0</u>	<u>0</u>	<u>379,684</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2008-09 Appropriation	148,884,216	5,784,722	6,667,669	136,431,825	0	392.9
S.B. 09-259 (Long Bill changes)	<u>23,960,185</u>	<u>601,108</u>	<u>14,767</u>	<u>23,344,310</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Personnel and Administration	\$172,844,401	\$6,385,830	\$6,682,436	\$159,776,135	\$0	392.9
Total Change:	\$23,960,185	\$601,108	\$14,767	\$23,344,310	\$0	0.0
Percent Change:	16.1%	10.4%	0.2%	17.1%	#DIV/0!	0.0%
PUBLIC HEALTH AND ENVIRONMENT						
Current FY 2008-09 Appropriation	\$469,965,999	\$26,586,357	\$164,440,239	\$69,325,687	\$209,613,716	1,224.8
S.B. 09-259 (Long Bill changes)	<u>(22,900,514)</u>	<u>1,716,589</u>	<u>(5,200,453)</u>	<u>(34,661,390)</u>	<u>15,244,740</u>	<u>56.6</u>
S.B. 09-269 (Tobacco Funds Allocation)	<u>(1,161,158)</u>	<u>0</u>	<u>(1,161,158)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
S.B. 09-271 (Amendment 35)	<u>(6,000,000)</u>	<u>0</u>	<u>(6,000,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Public Health and Environment	\$439,904,327	\$28,302,946	\$152,078,628	\$34,664,297	\$224,858,456	1,281.4
Total Change:	(\$30,061,672)	\$1,716,589	(\$12,361,611)	(\$34,661,390)	\$15,244,740	56.6
Percent Change:	-6.4%	6.5%	-7.5%	-50.0%	7.3%	4.6%
PUBLIC SAFETY						
Current FY 2008-09 Appropriation	\$245,735,484	\$79,735,441	\$117,842,353	\$21,669,859	\$26,487,831	1,350.9
S.B. 09-259 (Long Bill changes)	<u>5,037,289</u>	<u>3,767,040</u>	<u>1,444,228</u>	<u>(326,920)</u>	<u>152,941</u>	<u>4.5</u>
Proposed FY 2009-10 Appropriation - Public Safety	\$250,772,773	\$83,502,481	\$119,286,581	\$21,342,939	\$26,640,772	1,355.4
Total Change:	\$5,037,289	\$3,767,040	\$1,444,228	(\$326,920)	\$152,941	4.5
Percent Change:	2.0%	4.7%	1.2%	-1.5%	0.6%	0.3%

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
REGULATORY AGENCIES						
Current FY 2008-09 Appropriation	\$77,710,468	\$1,465,862	\$66,331,122	\$8,595,150	\$1,318,334	576.1
S.B. 09-259 (Long Bill changes)	<u>2,808,864</u>	<u>215,616</u>	<u>2,578,984</u>	<u>(23,718)</u>	<u>37,982</u>	<u>10.6</u>
Proposed FY 2009-10 Appropriation - Regulatory Agencies	\$80,519,332	\$1,681,478	\$68,910,106	\$8,571,432	\$1,356,316	586.7
<i>Total Change:</i>	<i>\$2,808,864</i>	<i>\$215,616</i>	<i>\$2,578,984</i>	<i>(\$23,718)</i>	<i>\$37,982</i>	<i>10.6</i>
<i>Percent Change:</i>	<i>3.6%</i>	<i>14.7%</i>	<i>3.9%</i>	<i>-0.3%</i>	<i>2.9%</i>	<i>1.8%</i>
REVENUE						
Current FY 2008-09 Appropriation	\$686,941,731	\$100,286,552	\$583,791,133	\$1,392,448	\$1,471,598	1,496.6
S.B. 09-274 (Drivers Licensing Refinance)	<u>(130,000)</u>	<u>0</u>	<u>(130,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2008-09 Appropriation	\$686,811,731	100,286,552	\$583,661,133	1,392,448	1,471,598	1,496.6
S.B. 09-259 (Long Bill changes)	<u>(1,241,255)</u>	<u>(7,576,106)</u>	<u>6,302,907</u>	<u>15,798</u>	<u>16,146</u>	<u>11.5</u>
S.B. 09-274 (Drivers Licensing Refinance)	<u>678,718</u>	<u>(16,177,259)</u>	<u>16,855,977</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Revenue	\$686,249,194	\$76,533,187	\$606,820,017	\$1,408,246	\$1,487,744	1,508.1
<i>Total Change:</i>	<i>(\$562,537)</i>	<i>(\$23,753,365)</i>	<i>\$23,158,884</i>	<i>\$15,798</i>	<i>\$16,146</i>	<i>11.5</i>
<i>Percent Change:</i>	<i>-0.1%</i>	<i>-23.7%</i>	<i>4.0%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>0.8%</i>
DEPARTMENT OF STATE						
Current FY 2008-09 Appropriation	\$27,569,394	\$0	\$27,569,394	\$0	\$0	127.1
S.B. 09-259 (Long Bill changes)	<u>(6,927,452)</u>	<u>0</u>	<u>(6,927,452)</u>	<u>0</u>	<u>0</u>	<u>2.5</u>
Proposed FY 2009-10 Appropriation - Department of State	\$20,641,942	\$0	\$20,641,942	\$0	\$0	129.6
<i>Total Change:</i>	<i>(\$6,927,452)</i>	<i>\$0</i>	<i>(\$6,927,452)</i>	<i>\$0</i>	<i>\$0</i>	<i>2.5</i>
<i>Percent Change:</i>	<i>-25.1%</i>	<i>N/A</i>	<i>-25.1%</i>	<i>N/A</i>	<i>N/A</i>	<i>2.0%</i>
TRANSPORTATION						
Current FY 2008-09 Appropriation	\$1,301,733,880	\$0	\$852,277,142	\$3,923,580	\$445,533,158	3,350.5
Long Bill Supplemental	<u>(24,122,128)</u>	<u>0</u>	<u>(339,453,093)</u>	<u>0</u>	<u>315,330,965</u>	<u>15.0</u>
Adjusted FY 2008-09 Appropriation	\$1,277,611,752	\$0	\$512,824,049	\$3,923,580	\$760,864,123	3,365.5
S.B. 09-259 (Long Bill changes)	<u>(304,082,431)</u>	<u>0</u>	<u>101,337,385</u>	<u>47,119</u>	<u>(405,466,935)</u>	<u>1.0</u>
Proposed FY 2009-10 Appropriation - Transportation	\$973,529,321	\$0	\$614,161,434	\$3,970,699	\$355,397,188	3,366.5
<i>Total Change:</i>	<i>(\$304,082,431)</i>	<i>\$0</i>	<i>\$101,337,385</i>	<i>\$47,119</i>	<i>(\$405,466,935)</i>	<i>1.0</i>
<i>Percent Change:</i>	<i>-23.8%</i>	<i>N/A</i>	<i>19.8%</i>	<i>1.2%</i>	<i>-53.3%</i>	<i>0.0%</i>
TREASURY						
Current FY 2008-09 Appropriation	\$389,434,258	\$86,966,576	\$302,467,682	\$0	\$0	29.5
S.B. 09-259 (Long Bill changes)	<u>(3,392,727)</u>	<u>5,367,145</u>	<u>(8,759,872)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
S.B. 09-276 (Property Tax Exemption)	<u>(91,400,000)</u>	<u>(91,400,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2009-10 Appropriation - Treasury	\$294,641,531	\$933,721	\$293,707,810	\$0	\$0	29.5
<i>Total Change:</i>	<i>(\$94,792,727)</i>	<i>(\$86,032,855)</i>	<i>(\$8,759,872)</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent Change:</i>	<i>-24.3%</i>	<i>-98.9%</i>	<i>-2.9%</i>	<i>N/A</i>	<i>N/A</i>	<i>0.0%</i>

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CONTROLLED MAINTENANCE TRUST FUND						
Current FY 2008-09 Appropriation	\$441,529	\$441,529	\$0	\$0	\$0	0.0
Eliminate one-time appropriation	<u>\$0</u>	<u>(\$441,529)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
Subtotal, Controlled Maintenance Trust Fund	\$0	\$0	\$0	\$0	\$0	0.0
<i>Total Change:</i>	<i>(\$441,529)</i>	<i>(\$441,529)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent Change:</i>	<i>-100.0%</i>	<i>-100.0%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Current FY 2008-09 Appropriation	\$18,623,674,975	\$7,566,059,083	\$5,338,908,116	\$1,552,196,235	\$4,166,511,541	50,929.6
Grand Total Appropriation Changes	\$282,456,047	(\$37,290,434)	\$503,169,810	(\$93,296,931)	(\$90,126,398)	1,438.0
<i>Percent Change:</i>	<i>1.5%</i>	<i>-0.5%</i>	<i>9.4%</i>	<i>-6.0%</i>	<i>-2.2%</i>	<i>2.8%</i>
Summary of Changes:						
Long Bill Supplemental	36,317,525	(24,905,406)	(311,264,226)	4,793,862	367,693,295	16.0
Eliminate one-time appropriation	(441,529)	(441,529)	0	0	0	0.0
Statutory appropriations	2,806,383	2,403,613	402,770	0	0	0.0
FY 2009-10 Long Bill	(\$83,838,090)	(\$145,292,839)	\$473,575,402	(\$381,588,115)	(\$30,532,538)	1,438.0
<i>Other Bills Affecting FY 2009-10:</i>	<u>363,929,283</u>	<u>106,040,321</u>	<u>29,191,638</u>	<u>288,291,184</u>	<u>(59,593,860)</u>	<u>0.0</u>
S.B. 09-224 (Legislative Appropriation)	276,638	246,212	26,610	3,816	0	0.0
S.B. 09-261 (OAP Supplemental Fund)	0	(6,000,000)	6,000,000	0	0	0.0
S.B. 09-262 (B&C Cancer Pgm)	0	(896,290)	896,290	0	0	0.0
S.B. 09-263 (Nursing Facility Payments)	(34,277,202)	(17,140,089)	1,488	0	(17,138,601)	0.0
S.B. 09-264 (Maximize Federal Match)	(4,201,653)	(3,160,000)	(4,159,407)	(103,000)	3,220,754	0.0
S.B. 09-265 (Medicaid & CHP+ Payment Timing)	(87,965,506)	(35,605,549)	(6,683,944)	0	(45,676,013)	0.0
S.B. 09-267 (Residential Placements)	0	(4,028,564)	4,028,564	0	0	0.0
S.B. 09-268 (Court Appointments)	(337,000)	(337,000)	0	0	0	0.0
S.B. 09-269 (Tobacco Funds Allocation)	(1,773,940)	0	(1,773,940)	0	0	0.0
S.B. 09-271 (Emergency Use of Tobacco Tax Revenue)	(6,000,000)	(20,000,000)	14,000,000	0	0	0.0
S.B. 09-273 (Pinnacol Assurance)	588,885,983	300,495,615	0	288,390,368	0	0.0
S.B. 09-274 (Drivers Licensing Refinance)	678,718	(16,177,259)	16,855,977	0	0	0.0
S.B. 09-276 (Property Tax Exemption)	(91,400,000)	(91,400,000)	0	0	0	0.0
H.B. 09-1267 (Sectarian Institutions)	43,245	43,245	0	0	0	0.0

* Please note: General Fund amounts include dollars considered "General Fund Exempt"

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PROPOSED APPROPRIATIONS FY 2009-10					
Department	TOTAL	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Agriculture	39,748,816	7,286,514	27,341,945	1,120,606	3,999,751
Corrections	769,095,971	686,538,581	40,079,560	41,882,323	595,507
Education	4,689,584,541	3,240,637,572	815,686,833	22,782,063	610,478,073
Governor	121,135,212	11,821,171	25,961,605	50,371,457	32,980,979
Health Care Policy and Financing	4,121,424,481	1,666,451,106	409,235,147	28,735,471	2,017,002,757
Higher Education	2,148,882,054	358,207,556	1,373,946,760	293,974,946	122,752,792
Human Services	2,179,427,509	677,751,916	350,521,179	450,028,263	701,126,151
Judicial	457,187,503	339,920,639	105,121,049	7,715,395	4,430,420
Labor and Employment	158,086,916	0	61,662,046	1,624,415	94,800,455
Law	48,155,520	10,068,584	6,689,703	30,104,171	1,293,062
Legislature	2,938,843	2,688,843	0	250,000	0
Local Affairs	370,188,452	11,952,554	258,661,155	6,159,131	93,415,612
Military and Veterans Affairs	203,230,528	5,903,249	970,759	653,509	195,703,011
Natural Resources	214,122,212	30,185,493	159,071,054	7,310,734	17,554,931
Personnel and Administration	172,844,401	6,385,830	6,682,436	159,776,135	0
Public Health and Environment	447,065,485	28,302,946	159,239,786	34,664,297	224,858,456
Public Safety	250,772,773	83,502,481	119,286,581	21,342,939	26,640,772
Regulatory Agencies	80,519,332	1,681,478	68,910,106	8,571,432	1,356,316
Revenue	685,570,476	92,710,446	589,964,040	1,408,246	1,487,744
State	20,641,942	0	20,641,942	0	0
Transportation	973,529,321	0	614,161,434	3,970,699	355,397,188
Treasury	<u>386,041,531</u>	<u>92,333,721</u>	<u>293,707,810</u>	<u>0</u>	<u>0</u>
LONG BILL					
OPERATING TOTAL	18,540,193,819	7,354,330,680	5,507,542,930	1,172,446,232	4,505,873,977
Legislative Appropriation	33,501,088	32,473,632	223,640	803,816	0
Five-year Statutory Appropriations	2,806,383	2,403,613	402,770	0	0
Controlled Maint. Trust Fund (subject to 6%)	0	0	0	0	0
Capital Construction Fund (subject to 6%)	0	0	0	0	0
JBC Proposed Balancing Package 1/	<u>363,782,645</u>	<u>105,794,109</u>	<u>29,295,028</u>	<u>288,287,368</u>	<u>(59,593,860)</u>
TOTAL OPERATING	18,940,283,935	7,495,002,034	5,537,464,368	1,461,537,416	4,446,280,117
LESS:					
Amount Exempt from Statutory Limit	N/A	<u>(25,949,912)</u>	N/A	N/A	N/A
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	N/A	7,469,052,122	N/A	N/A	N/A
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	Capital Construction Funds Exempt*	Cash Funds	Reappropriated Funds	Federal Funds	
Capital Construction	441,170,370	50,659,524	370,295,101	0	20,215,745

1/ The bills in the proposed balancing package are described in detail in an appendix.

GENERAL FUND APPROPRIATION COMPARISON				
Department	FY 2008-09 Appropriation*	FY 2009-10 Appropriation	Difference	% Difference
Agriculture	7,223,168	7,286,514	63,346	0.9%
Corrections	665,398,503	686,538,581	21,140,078	3.2%
Education	3,094,395,852	3,240,637,572	146,241,720	4.7%
Governor	13,443,436	11,821,171	(1,622,265)	-12.1%
Health Care Policy and Financing	1,577,156,376	1,666,451,106	89,294,730	5.7%
Higher Education	782,937,855	358,207,556	(424,730,299)	-54.2%
Human Services	678,999,293	677,751,916	(1,247,377)	-0.2%
Judicial	325,942,329	339,920,639	13,978,310	4.3%
Labor and Employment	0	0	0	n/a
Law	8,855,044	10,068,584	1,213,540	13.7%
Legislature	2,677,249	2,688,843	11,594	0.4%
Local Affairs	12,352,639	11,952,554	(400,085)	-3.2%
Military and Veterans Affairs	5,685,713	5,903,249	217,536	3.8%
Natural Resources	31,057,499	30,185,493	(872,006)	-2.8%
Personnel and Administration	5,784,722	6,385,830	601,108	10.4%
Public Health and Environment	26,586,357	28,302,946	1,716,589	6.5%
Public Safety	79,735,441	83,502,481	3,767,040	4.7%
Regulatory Agencies	1,465,862	1,681,478	215,616	14.7%
Revenue	100,286,552	92,710,446	(7,576,106)	-7.6%
State	0	0	0	n/a
Transportation	0	0	0	n/a
Treasury	<u>86,966,576</u>	<u>92,333,721</u>	<u>5,367,145</u>	6.2%
LONG BILL				
OPERATING TOTAL	7,506,950,466	7,354,330,680	(152,619,786)	-2.0%
Legislative Appropriation	32,211,928	32,473,632	261,704	
Five-year Statutory Appropriations	1,549,754	2,403,613	853,859	
Controlled Maint. Trust Fund (subject to 6%)	441,529	0	(441,529)	
Capital Construction Fund (subject to 6%)	0	0	0	
JBC Proposed Balancing Package 1/	<u>(8,861,209)</u>	<u>105,794,109</u>	<u>114,655,318</u>	
TOTAL OPERATING	7,532,292,468	7,495,002,034	(37,290,434)	-0.5%
LESS:				
Amount Exempt from Statutory Limit	<u>(122,075,781)</u>	<u>(25,949,912)</u>	<u>96,125,869</u>	
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	7,410,216,687	7,469,052,122	58,835,435	0.8%
Capital Construction	<u>150,251,265</u>	<u>50,659,524</u>	<u>(99,591,741)</u>	
GRAND TOTAL	7,560,467,952	7,519,711,646	(40,756,306)	

* Includes supplemental appropriations.

EXPLANATION OF MAJOR GENERAL FUND DIFFERENCES

Major changes in the General Fund appropriations are summarized below. The narrative for each department provides further explanation of General Fund changes.

Department of Corrections -- The recommendation includes increases of: (1) \$18.6 million to annualize salary survey and performance-based pay, as well as benefits adjustments for health, life, and dental insurance, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential; (2) \$8.0 million to reimburse private prison providers based on the anticipated caseload growth to the private prison population using the Legislative Council Staff inmate population projections; (3) \$3.0 million associated with additional academic and vocational instructors; (4) \$2.4 million associated with increasing the provider rate to private prison providers from \$52.69 per day to \$53.81 per day (2.125 percent increase); (5) \$2.1 million associated with additional therapeutic community programs within prisons; (6) \$1.9 million associated with removing refinancing that occurred during the FY 2008-09 supplemental process; and (7) \$1.8 million associated with restoring parole wrap-around services funding that was eliminated during the FY 2008-09 supplemental process. These amounts are partially offset by the following reductions: (1) \$10.6 million associated with eliminating the appropriations for salary survey and performance-base pay; (2) \$5.2 million associated with the closure of the Colorado Women's Correctional Facility (CWCF); (3) \$3.1 million associated with additional community corrections and therapeutic community beds; and (4) \$830,000 to eliminate one-time funds appropriated in FY 2008-09.

Department of Education -- The recommendation includes increases of: (1) \$146.5 million to provide the constitutionally required 5.0 percent increase in General Fund support for districts' total program funding; (2) \$0.7 million associated with salary and benefits adjustments; and (3) \$0.2 million for teacher compensation increases at the Colorado School for the Deaf and Blind, as required by Section 22-80-106.5 (1), C.R.S. These amounts are partially offset by recommended reductions of: (1) \$0.7 million associated with exclusion of increases for salary survey and performance-based pay; (2) \$0.2 for the suspension of the Family Literacy Grant Program; and (3) \$0.2 million for the suspension of state support for Boards of Cooperative Services (BOCES).

Office of the Governor -- The recommendation includes decreases of: (1) \$1.0 million due to the elimination of funding for the Solar Incentives program; (2) \$628,000 to eliminate one-time funding from the prior year appropriation; (3) \$276,000 due to the elimination of salary survey and performance-based pay for FY 2009-10; (4) \$213,000 due to refinancing the Colorado Welcome Centers; and (5) \$116,000 to annualize the prior year action that refinanced the management of the Governor's Office of Information Technology. These

decreases are partially offset by increases of: (1) \$0.3 million to annualize salary survey and performance-based pay awards made in the prior fiscal year; (2) \$0.3 million in increased contributions for employee benefits; and (3) \$47,000 to reflect out-year expenses for programs approved in prior years.

Department of Health Care Policy and Financing -- The recommendation includes the following increases: (1) \$74.6 million for increased costs for medical and mental health services due to caseload and cost increases in the Medicaid program; (2) \$16.1 million to restore one-time savings from initiatives enacted to balance the FY 2008-09 budget; (3) \$11.4 million for programs administered by the Department of Human Services; (4) \$7.3 million for the Medicare Modernization Act State Contribution Payment; (5) \$2.5 million for the Children's Basic Health Plan program; and (6) \$2.0 million for increased administrative costs. These increases are partially offset by \$85.3 million in decreases resulting from the following: (1) \$35.6 million to delay the last capitation and fee-for-service payment cycles in FY 2009-10 until FY 2010-11; (2) \$32.9 million for provider rate reductions and utilizations controls; (3) \$29.4 million to refinance General Fund expenditures with various cash funds; and (4) \$3.1 million to maximize federal funding available under the American Recovery and Reinvestment Act.

Department of Higher Education -- The General Fund decrease is primarily attributable to the following reductions for the higher education institutions: \$300.5 million that will be backfilled if S.B. 09-273 Pinnacle Assurance Augment State Revenue is adopted; \$72.5 million that will be backfilled with federal stimulus money; and a \$50.0 million base reduction. The reduction also includes a net \$1.8 million decrease in financial aid, including eliminating graduate student aid and precollegiate programs, and \$125,000 increase for locomotive maintenance for the Cumbres and Toltec Scenic Railroad.

Judicial Department -- The recommendation includes the following significant increases in General Fund appropriations: (1) \$4.7 million to restore one-time funding reductions taken in FY 2008-09, primarily related to the hiring freeze; (2) \$4.2 million for court-appointed counsel to address caseload and cost per case increases; (3) \$3.5 million for the state contributions for employee insurance and retirement benefits; (4) \$0.8 million for probation staff to address a growing number of offenders on probation; (5) \$0.5 million to enhance and expand existing adult drug courts; and (6) \$0.3 million to implement H.B. 08-1407. These increases are partially offset by the elimination of \$0.3 million for an information technology project that has been successfully completed.

Department of Law -- The recommendation includes \$441,000 for increased salaries of District Attorneys as required by statute, \$415,000 to reverse various one-time General Fund reductions that were taken during FY 2008-09 supplementals, and \$401,000 from annualizing salary increases awarded in FY 2008-09.

Department of Revenue -- The \$23.8 million General Fund decrease is comprised of the following increases: (1) \$2.1 million to annualize salary increases awarded in FY 2008-09; (2)\$1.4 million for adjustments to centrally-appropriated line items; (3) \$1.0 million for an expanded out-of-state tax enforcement and compliance program, that adds 10.1 FTE based out-of-state to audit companies headquartered out-of-state but doing business in Colorado; (4) and \$0.5 million for indirect cost adjustments to accurately reflect fund allocations. The increases are offset by the following decreases: (1) a decrease of \$16.2 million resulting from the proposed refinancing of Driver and Vehicle Services by S.B. 09-274; (2) a decrease of \$8.7 million to reflect updated projections of appropriation for the Old Age Heat & Fuel and Property Tax Assistance grants; (3) a decrease of \$4.1 million to reflect the elimination of salary survey and performance-based pay awards in FY 2009-10; and (4) a decrease of \$1.1 million to reflect updated projections of the appropriation for the Cigarette Tax Rebate.

CASH FUNDS APPROPRIATION COMPARISON				
Department	FY 2008-09 Appropriation*	FY 2009-10 Appropriation	Difference	% Difference
Agriculture	26,796,487	27,341,945	545,458	2.0%
Corrections	43,097,222	40,079,560	(3,017,662)	-7.0%
Education	640,392,536	815,686,833	175,294,297	27.4%
Governor	38,499,601	25,961,605	(12,537,996)	-32.6%
Health Care Policy and Financing	382,496,858	409,235,147	26,738,289	7.0%
Higher Education	1,224,926,051	1,373,946,760	149,020,709	12.2%
Human Services	350,035,263	350,521,179	485,916	0.1%
Judicial	98,439,018	105,121,049	6,682,031	6.8%
Labor and Employment	62,309,957	61,662,046	(647,911)	-1.0%
Law	8,117,746	6,689,703	(1,428,043)	-17.6%
Legislature	30,000	0	(30,000)	-100.0%
Local Affairs	190,783,749	258,661,155	67,877,406	35.6%
Military and Veterans Affairs	958,889	970,759	11,870	1.2%
Natural Resources	178,401,019	159,071,054	(19,329,965)	-10.8%
Personnel and Administration	6,667,669	6,682,436	14,767	0.2%
Public Health and Environment	164,440,239	159,239,786	(5,200,453)	-3.2%
Public Safety	117,842,353	119,286,581	1,444,228	1.2%
Regulatory Agencies	66,331,122	68,910,106	2,578,984	3.9%
Revenue	583,791,133	589,964,040	6,172,907	1.1%
State	27,569,394	20,641,942	(6,927,452)	-25.1%
Transportation	512,824,049	614,161,434	101,337,385	19.8%
Treasury	<u>302,467,682</u>	<u>293,707,810</u>	<u>(8,759,872)</u>	-2.9%
LONG BILL				
OPERATING TOTAL	5,027,218,037	5,507,542,930	480,324,893	9.6%
Legislative Appropriation	<u>177,030</u>	<u>223,640</u>	<u>46,610</u>	26.3%
TOTAL OPERATING	5,027,395,067	5,507,766,570	480,371,503	9.6%
Capital Construction	<u>745,639,471</u>	<u>370,295,101</u>	<u>(375,344,370)</u>	-50.3%
GRAND TOTAL	5,773,034,538	5,878,061,671	105,027,133	1.8%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR CASH FUND DIFFERENCES

Major changes in the recommended cash fund appropriations are summarized below. The narrative for each department provides further explanation of all changes in cash funds.

Department of Education -- The recommendation includes cash funds increases of: (1) \$156.8 million for public school finance (including \$144.9 from the State Education Fund and \$11.9 million from the State Public School Fund); (2) \$10.8 million for categorical program funding; (3) \$5.9 million for public school capital construction; and (4) \$1.8 million for facility schools funding.

Office of the Governor -- The recommendation reflects decreases of: (1) \$7.9 million in the annual transfer from the Limited Gaming Fund to the economic development funds due to revenue shortfalls; (2) \$7.3 million in the prior year transfer from the Limited Gaming Fund to the Clean Energy Fund due to revenue shortfalls; and (3) \$2.0 million due to the expiration of the statutory transfer of severance taxes to the Colorado Renewable Energy Authority. These decreases were partially offset by a \$4.5 million increase due to annualization of the transfer from the Limited Gaming Fund to the Bioscience Discovery Evaluation cash fund.

Department of Higher Education -- The recommendation includes tuition spending authority for 9.0 percent rate increases for resident students and 5.0 percent rate increases for nonresidents. It also reflects an anticipated reduction in gaming revenues deposited in the State Historical Fund that are used for preservation grants and the operations of the Historical Society.

Department of Law -- The recommendation includes a \$1.0 million cash funds decrease in the appropriation to recover Natural Resource Damages at the Rocky Mountain Arsenal from the U.S. Army and Shell Oil Company; the lawsuit concluded successfully. The recommendation also includes a \$150,000 decrease in appropriations from the Litigation Management Fund; the Department of Law's FY 2008-09 supplemental bill took advantage of some extra revenue available to this fund that is not now available.

Department of Local Affairs -- The recommendation reflects a higher amount of funding based on projected revenues for the following: (1) \$44.0 million in severance tax revenues; (2) \$22.1 million in federal mineral lease revenues; (3) \$1.4 million in Conservation Trust Fund disbursements; and (4) \$1.2 million in waste tire recycling, reuse, and removal grants. These amounts are partially offset by a recommended reduction of \$0.8 million in limited gaming impact program revenues.

Department of Natural Resources -- The recommendation includes cash fund reductions of: (1) \$11.2 million to eliminate one-time funding that was provided to the Department in FY 2008-09 through S.B. 08-168 (Species Conservation Trust Fund); (2) \$7.7 million associated with a one-time appropriation contained in H.B. 08-1346 (Water Conservation Board Construction Fund projects); and (3) \$0.4 million associated with various other adjustments.

Department of State -- The recommended decreases in cash funds include: (1) \$4.6 million associated with the Help America Vote Act (HAVA) because many of the federal requirements are completed; and (2) \$2.8 million to reflect the completion of one-time information technology projects.

Department of Transportation -- The recommended increases in cash funds reflect anticipated increases in funds associated with S.B. 09-108 (Transportation System Planning and Funding), including the following: (1) \$85.7 million for the Construction, Maintenance, and Operations line item, reflecting an anticipated increase in the Department's share of State Highway Fund Revenue; and (2) \$42.4 million for the Statewide Bridge Enterprise created in S.B. 09-108. The increases are partially offset by reductions in anticipated local and miscellaneous funding for the Construction, Maintenance, and Operations line item (\$17.1 million). These amounts are not legislatively appropriated and are subject to change based on actual revenues. The recommendation also reflects a \$10.1 million reduction resulting from the elimination of funding for the legislatively appropriated Gaming Impacts line item which is funded with Limited Gaming Funds.

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REAPPROPRIATED FUNDS APPROPRIATION COMPARISON				
Department	FY 2008-09 Appropriation*	FY 2009-10 Appropriation	Difference	% Difference
Agriculture	1,065,306	1,120,606	55,300	5.2%
Corrections	42,294,502	41,882,323	(412,179)	-1.0%
Education	17,651,668	22,782,063	5,130,395	29.1%
Governor	50,198,695	50,371,457	172,762	0.3%
Health Care Policy and Financing	24,919,379	28,735,471	3,816,092	15.3%
Higher Education	697,807,802	293,974,946	(403,832,856)	-57.9%
Human Services	430,257,132	450,028,263	19,771,131	4.6%
Judicial	5,966,106	7,715,395	1,749,289	29.3%
Labor and Employment	1,621,481	1,624,415	2,934	0.2%
Law	29,706,977	30,104,171	397,194	1.3%
Legislature	6,500	250,000	243,500	3746.2%
Local Affairs	5,324,722	6,159,131	834,409	15.7%
Military and Veterans Affairs	653,509	653,509	0	0.0%
Natural Resources	7,377,769	7,310,734	(67,035)	-0.9%
Personnel and Administration	136,431,825	159,776,135	23,344,310	17.1%
Public Health and Environment	69,325,687	34,664,297	(34,661,390)	-50.0%
Public Safety	21,669,859	21,342,939	(326,920)	-1.5%
Regulatory Agencies	8,595,150	8,571,432	(23,718)	-0.3%
Revenue	1,392,448	1,408,246	15,798	1.1%
State	0	0	0	n/a
Transportation	3,923,580	3,970,699	47,119	1.2%
Treasury	0	0	0	n/a
LONG BILL				
OPERATING TOTAL	1,556,190,097	1,172,446,232	(383,743,865)	-24.7%
Legislative Appropriation	<u>800,000</u>	<u>803,816</u>	<u>3,816</u>	0.5%
TOTAL OPERATING	1,556,990,097	1,173,250,048	(383,740,049)	-24.6%
Capital Construction	0	0	0	n/a
GRAND TOTAL	1,556,990,097	1,173,250,048	(383,740,049)	-24.6%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR REAPPROPRIATED FUNDS DIFFERENCES

Major changes in the recommended reappropriated funds appropriations are summarized below. The narrative for each department provides further explanation of all changes in reappropriated funds.

Department of Education -- The recommendation includes an increase of \$5.2 million to reflect federal moneys that are received by the Department and passed through to the State Charter School Institute.

Department of Higher Education -- The recommendation reflects the reduction in stipends and fee-for-service contracts that are reappropriated to the governing boards. It also includes an increase of \$1.5 million in the transfer from the Department of Education for the Colorado Vocational Act, and changes in indirect cost recoveries.

Department of Human Services -- The recommended increase of \$19.8 million in reappropriated funds includes an increase \$23.5 million for Services for People with Disabilities, offset by reductions of \$1.7 million for Information Technology Services, \$1.3 million for Youth Corrections and \$1.2 million for the Executive Director's Office. The recommended increase for Services for People with Disabilities primarily reflects additional Medicaid funds transferred from the Department of Human Services for services for people with developmental disabilities. This includes substantial increases to the developmental disability caseload and the impact of reversing one-time FY 2008-09 supplementals. The reduction for Information Technology Services primarily reflects annualization of prior year actions related to the Colorado Benefits Management System. The recommended decrease for the Executive Director's Office reflects centrally-appropriated salary and benefits adjustments, and the recommended decrease for the Division of Youth Corrections reflects Medicaid reappropriated funding adjustments for caseload.

Department of Personnel and Administration -- The recommendation includes reappropriated funds increases of: (1) \$12.8 million for workers' compensation and risk management in order to account for volatility in workers' compensation and risk premiums; (2) \$3.5 million to allow the fleet program to absorb a \$1.00 per gallon fuel cost increase; (3) \$3.2 million to allow the Integrated Document Factory to absorb a 20 percent increase in printing, scanning, digital storing, and mail services workload; (4) \$1.4 million for the purchase of new mail services processing equipment; (5) \$1.4 million for annualization of FY 2008-09 vehicle replacements and additions as well as partial-year funding of FY 2009-10 vehicle replacements; and (6) \$1.4 million for various programmatic and operating increases throughout the Department.

Department of Public Health and Environment – The recommendation includes a \$30 million reduction in reappropriations of Amendment 35 tobacco-tax revenues. Due to constitutional requirements, the Long Bill contains several double appropriations of Amendment 35 tobacco-tax revenues; the moneys are first appropriated to one division and then are reappropriated to another. The recommendation reduces the amount that is appropriated twice. This recommendation also reduces by \$7.2 million appropriations of fund balances carried from prior years for one of the Amendment 35 programs, an appropriation that was formerly classified as reappropriated funds.

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FEDERAL FUNDS APPROPRIATION COMPARISON				
Department	FY 2008-09 Appropriation*	FY 2009-10 Appropriation	Difference	% Difference
Agriculture	3,965,969	3,999,751	33,782	0.9%
Corrections	1,295,554	595,507	(700,047)	-54.0%
Education	497,653,179	610,478,073	112,824,894	22.7%
Governor	32,981,986	32,980,979	(1,007)	0.0%
Health Care Policy and Financing	1,900,000,646	2,017,002,757	117,002,111	6.2%
Higher Education	50,230,113	122,752,792	72,522,679	144.4%
Human Services	679,631,600	701,126,151	21,494,551	3.2%
Judicial	2,290,265	4,430,420	2,140,155	93.4%
Labor and Employment	97,356,819	94,800,455	(2,556,364)	-2.6%
Law	1,097,051	1,293,062	196,011	17.9%
Legislature	0	0	0	n/a
Local Affairs	54,905,997	93,415,612	38,509,615	70.1%
Military and Veterans Affairs	195,706,763	195,703,011	(3,752)	0.0%
Natural Resources	17,333,292	17,554,931	221,639	1.3%
Personnel and Administration	0	0	0	n/a
Public Health and Environment	209,613,716	224,858,456	15,244,740	7.3%
Public Safety	26,487,831	26,640,772	152,941	0.6%
Regulatory Agencies	1,318,334	1,356,316	37,982	2.9%
Revenue	1,471,598	1,487,744	16,146	1.1%
State	0	0	0	n/a
Transportation	760,864,123	355,397,188	(405,466,935)	-53.3%
Treasury	0	0	0	n/a
LONG BILL				
OPERATING TOTAL	4,534,204,836	4,505,873,977	(28,330,859)	-0.6%
Capital Construction	<u>50,272,487</u>	<u>20,215,745</u>	<u>(30,056,742)</u>	-59.8%
GRAND TOTAL	4,584,477,323	4,526,089,722	(58,387,601)	-1.3%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR FEDERAL FUNDS DIFFERENCES

Major changes in the anticipated federal funds reflected are summarized below. The narrative for each department provides further explanation of all changes in federal funds.

Department of Corrections -- The recommendation includes decreases of: (1) \$3.0 million associated with additional academic and vocational instructors; (2) \$0.4 million for community reintegration grants; (3) \$0.2 million for inspector general grants; and (4) \$0.1 million for drug and alcohol treatment grants.

Department of Education -- The recommendation reflects anticipated changes in federal funds, including the following significant changes: (1) \$97.4 million that is anticipated to be available to school districts for the provision of special education services for children with disabilities pursuant to the federal American Recovery and Reinvestment Act; (2) \$12.5 million in federal moneys for school breakfast and lunch programs; and (3) \$2.9 million for various federally-sponsored programs administered by the Department.

Department of Health Care Policy and Financing -- The recommendation includes the following major increases: (1) \$98.3 million for increased costs for medical and mental health services due to caseload and cost increases in the Medicaid program; (2) \$17.3 million for the Children's Basic Health Plan and Indigent Care Program; (3) \$10.9 million for programs administered by the Department of Human Services; and (4) \$4.1 million for increased administrative costs. These increases are partially offset by \$74.7 million in decreases including: (1) \$45.3 million to delay the last capitation and fee-for-services payment cycles in FY 2009-10 until FY 2010-11; and (2) \$30.6 million for provider rate reductions and utilizations controls.

Department of Higher Education -- The recommendation reflects anticipated allocations of federal stimulus money provided through the American Recovery and Reinvestment Act.

Judicial Branch -- The recommendation reflects anticipated changes in grant funding available for trial court and probation programs.

Department of Local Affairs -- The recommendation reflects a one-time \$36.2 million increase in federal affordable housing construction grants and loans from the Neighborhood Stabilization Program, as well as a projected increase of \$1.5 million in federal funds for disaster preparedness grants.

Department of Public Health and Environment -- The recommendation reflects \$17.6 million of federal emergency preparedness and response grants. The Department has been

receiving these grants since the late 1990's, but has excluded most of these funds from previous budget requests. As a consequence, only a small portion of these grants have been shown in prior Long Bills. Beginning in 2009-10, the federal government will require Colorado to provide a 5 percent match for the federal moneys. Since the program now requires matching state dollars, the Department has included these funds in its budget request and the JBC recommends that the grants be reflected in the Long Bill. The increase is partially offset by a reduction of \$1.0 million associated with the transfer of responsibility for the operation and maintenance of the Argo Tunnel Water Treatment Plant from the federal government to the State.

Department of Transportation -- The recommendation reflects a decrease of \$405.5 million in federal funds as a result of the elimination of one-time funding associated with the American Recovery and Reinvestment Act of 2009. The Department's federal funds are shown for informational purposes only and are subject to change based on available revenues.

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FTE APPROPRIATION COMPARISON				
Department	FY 2008-09 Appropriation*	FY 2009-10 Appropriation	Difference	% Difference
Agriculture	291.8	292.4	0.6	0.2%
Corrections	6,583.9	6,626.9	43.0	0.7%
Education	536.1	552.0	15.9	3.0%
Governor	376.7	376.1	(0.6)	-0.2%
Health Care Policy and Financing	269.2	275.0	5.8	2.2%
Higher Education	19,803.3	20,954.9	1,151.6	5.8%
Human Services	5,528.1	5,578.5	50.4	0.9%
Judicial	4,084.7	4,163.2	78.5	1.9%
Labor and Employment	1,124.7	1,123.2	(1.5)	-0.1%
Law	392.4	394.2	1.8	0.5%
Legislature	277.1	277.1	0.0	0.0%
Local Affairs	180.5	186.5	6.0	3.3%
Military and Veterans Affairs	1,386.9	1,386.9	0.0	0.0%
Natural Resources	1,546.8	1,545.1	(1.7)	-0.1%
Personnel and Administration	392.9	393.1	0.2	0.1%
Public Health and Environment	1,224.8	1,281.4	56.6	4.6%
Public Safety	1,350.9	1,355.4	4.5	0.3%
Regulatory Agencies	576.1	589.3	13.2	2.3%
Revenue	1,496.6	1,508.1	11.5	0.8%
State	127.1	129.6	2.5	2.0%
Transportation	3,365.5	3,366.5	1.0	0.0%
Treasury	<u>29.5</u>	<u>31.5</u>	<u>2.0</u>	6.8%
LONG BILL				
OPERATING TOTAL	50,945.6	52,386.9	1,441.3	2.8%
* Includes supplemental appropriations.				

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FTE APPROPRIATION CHANGES BY CATEGORY					
Department	Impact of Prior Year Decision Item or Legislation	Base Reductions	Convert Existing Contract Staff to FTE	Staff Shown for Informational Purposes	Staff Transfers
Agriculture	(3.0)	0.0	0.0	3.6	0.0
Corrections	24.2	(71.2)	0.0	0.0	0.0
Education	6.7	(3.4)	0.0	6.5	0.0
Governor	0.0	0.0	0.0	(1.0)	0.0
Health Care Policy and Financing	3.0	0.0	0.0	0.0	0.0
Higher Education	2.0	0.0	0.0	1,149.6	0.0
Human Services	60.2	(35.7)	0.0	4.0	0.0
Judicial	18.4	0.0	0.0	(9.1)	0.0
Labor and Employment	2.6	(4.1)	0.0	0.0	0.0
Law	1.4	(3.2)	0.0	0.0	0.0
Legislature	0.0	0.0	0.0	0.0	0.0
Local Affairs	(0.1)	0.0	0.0	2.2	0.0
Military and Veterans Affairs	0.0	0.0	0.0	0.0	0.0
Natural Resources	0.3	(2.0)	0.0	0.0	0.0
Personnel and Administration	0.0	(1.0)	0.0	0.0	0.0
Public Health and Environment	13.7	(1.8)	0.0	28.2	0.0
Public Safety	3.3	(2.1)	0.0	0.0	0.0
Regulatory Agencies	2.2	(2.0)	0.0	0.0	0.0
Revenue	(0.6)	0.0	0.0	0.0	0.0
State	0.0	0.0	0.0	2.5	0.0
Transportation	0.0	0.0	0.0	1.0	0.0
Treasury	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>
TOTALS	134.3	(126.5)	2.0	1,187.5	0.0

FTE APPROPRIATION CHANGES BY CATEGORY					
Department	Improve or Expand Existing Programs/ Functions	Staffing Related to Population Changes*	Staffing for New or Expanded Facilities	Staffing for New Programs	Total FTE Change for FY 2009-10
Agriculture	0.0	0.0	0.0	0.0	0.6
Corrections	90.0	0.0	0.0	0.0	43.0
Education	6.1	0.0	0.0	0.0	15.9
Governor	0.4	0.0	0.0	0.0	(0.6)
Health Care Policy and Financing	2.8	0.0	0.0	0.0	5.8
Higher Education	0.0	0.0	0.0	0.0	1,151.6
Human Services	21.9	0.0	0.0	0.0	50.4
Judicial	18.4	50.8	0.0	0.0	78.5
Labor and Employment	0.0	0.0	0.0	0.0	(1.5)
Law	3.6	0.0	0.0	0.0	1.8
Legislature	0.0	0.0	0.0	0.0	0.0
Local Affairs	3.9	0.0	0.0	0.0	6.0
Military and Veterans Affairs	0.0	0.0	0.0	0.0	0.0
Natural Resources	0.0	0.0	0.0	0.0	(1.7)
Personnel and Administration	1.2	0.0	0.0	0.0	0.2
Public Health and Environment	16.5	0.0	0.0	0.0	56.6
Public Safety	3.3	0.0	0.0	0.0	4.5
Regulatory Agencies	13.0	0.0	0.0	0.0	13.2
Revenue	12.1	0.0	0.0	0.0	11.5
State	0.0	0.0	0.0	0.0	2.5
Transportation	0.0	0.0	0.0	0.0	1.0
Treasury	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>
TOTALS	193.2	50.8	0.0	0.0	1,441.3
* Includes staffing changes related to changes in the number of individuals or entities receiving services (e.g., individuals receiving public assistance, students enrolled, individuals licensed, facilities inspected, prisoners housed, etc.).					

EXPLANATION OF MAJOR FTE DIFFERENCES

Major changes in the recommended FTE appropriations are summarized by department in the table on page 30. In addition, the table on pages 32 - 33 details these changes using the following categories:

- *Impact of Prior Year Decision Item or Legislation.* Includes FTE changes that are required to implement legislation that has been enacted, as well as programs or services previously authorized by the General Assembly through the budget process.
- *Base Reductions.* Reflects reductions in existing FTE appropriations.
- *Convert Existing Contract Staff to FTE.* Reflects FTE associated with existing contract staff who will be converted to state employees.
- *Staff Shown for Informational Purposes.* Reflects changes in FTE that are shown in the Long Bill for informational purposes only (e.g., staff supported by federal funds or grants, staff employed by higher education institutions, etc.).
- *Staff Transfers.* Reflects staff transfers between departments.
- *Improve or Expand Existing Programs/ Functions.* Reflects FTE changes designed to improve existing programs or functions previously authorized by the General Assembly.
- *Staffing Related to Population Changes.* Includes staffing changes related to changes in the number of individuals or entities receiving services (e.g., students enrolled, individuals licensed, individuals receiving public assistance, facilities inspected, prisoners housed, etc.).
- *Staffing for New or Expanded Facilities.* Includes staffing changes required for new or expanded state facilities.
- *Staffing for New Programs.* Includes staffing changes recommended for new or expanded programs.

The narrative for each department provides further explanation of all recommended FTE changes. Major changes are summarized below.

Department of Corrections -- The recommendation includes an net increase of 43.0 FTE. This includes an increase of 90.0 FTE related to expanded programs, including the following:

(1) 34.8 FTE for additional academic and vocational instructors; (2) 33.9 FTE to implement additional therapeutic community programs for offenders with substance abuse needs; (3) 15.0 FTE for additional community reintegration staff to assist offenders prior to their release from prison; (4) 5.3 FTE for additional Correctional Industries staff as a result of growth in the canine program, wild horse program, and state wildland inmate fire program; and (5) 1.0 FTE for additional recidivism research and evaluation staff. The recommendation also includes an increase of 24.2 FTE related to the impact of prior year decision items or legislation, including the following: (1) 15.1 FTE to annualize the conversion of contract staff to state employees; (2) 2.9 FTE to annualize additional parole officers; (3) 2.0 FTE to annualize S.B. 07-228; (4) 1.6 FTE to annualize additional mental health staff; (5) 0.7 FTE to annualize additional utilities and facility services staff; (6) 0.7 FTE to annualize additional academic and vocational instructors; (7) 0.6 FTE to annualize the CSP II activation team; (8) 0.3 FTE to annualize additional community supervision staff; (9) 0.2 FTE to annualize recidivism research and evaluation staff; and (10) 0.1 FTE to annualize the impacts of the inmate population growth related to private prison monitoring. These increases are offset by a decrease of 71.2 related to the closure of the Colorado Women's Correctional Facility.

Department of Higher Education -- The recommendation includes 2.0 FTE to annualize S.B. 08-206 (Justice Center State Museum Agreements). The remainder of the increase is attributable to the higher education institutions. The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Historically, projections submitted by the schools of employment in the current year have been used in the Long Bill. Thus, the FTE reported lags funding decisions.

Department of Human Services -- The recommendation adds a net 50.4 FTE, including the following changes: (1) 60.2 FTE for the impact of prior year actions, including 29.8 FTE to annualize FY 2008-09 increases for the regional centers for people with developmental disabilities, 27.3 FTE for the Office of Operations and Mental Health and Alcohol and Drug Abuse Services, primarily reflecting the opening of a new high security forensics facility at the Colorado Mental Health Institute at Pueblo in late FY 2008-09, and 3.1 FTE for various other prior year actions; (2) a net of 21.9 FTE to improve or expand existing department programs and functions, including 9.2 FTE to further improve staffing intensity at the regional centers for people with developmental disabilities, 8.0 FTE to improve training, support and oversight of county-administered child welfare services, 2.2 FTE to ensure timely administrative reviews of children in out-of-home placements, 2.0 FTE for a fraud detection unit for the Electronic Benefits Transfer service, 1.6 FTE to improve oversight of the Child Care Assistance Program, and 0.7 for mental health programs, offset by a decrease of 1.8 FTE in the Division of Youth Corrections related to eliminating a previously-approved expansion of functional family parole; (3) 4.0 FTE to show, for informational purposes, federally-funded staff in the Division of Child Welfare. These net increases are offset by a base reduction of 35.7 FTE associated with closure of the general hospital at the Colorado

Mental Health Institute at Pueblo.

Judicial Department -- The recommendation adds 78.5 FTE (a 1.9 percent increase), including the following changes: (1) an increase of 50.8 FTE related to population changes, including 36.8 FTE attorneys for the Public Defender's Office and 14.0 FTE probation staff; (2) an increase of 18.4 FTE to expand the capacity and enhance the effectiveness of adult drug courts; (3) a net increase of 18.4 FTE related to prior year legislation or previous budget decisions, including an increase of 13.2 FTE for the public access/e-filing systems project, an increase of 5.4 FTE for H.B. 07-1054, an increase of 4.8 FTE for H.B. 08-1407, and a decrease of 5.0 FTE related to a completed case management system conversion project; and (4) a net decrease of 9.1 FTE shown for informational purposes, including a reduction of 4.1 FTE supported by grant funds and a reduction of 5.0 FTE language interpreters (to reflect the actual mix of contract and state staff).

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HIGHWAY USERS TAX FUND APPROPRIATION COMPARISON

The following table shows recommendations for FY 2009-10 "Off-the-Top" appropriations from the Highway Users Tax Fund (HUTF), which are limited to an annual growth rate of 6.0 percent over the previous year's "Off-the-Top" appropriation. These moneys are referred to as "Off-the-Top" because they are removed from available HUTF revenue before the statutory allocation to cities, counties, and the Department of Transportation. Pursuant to the various provisions of Section 43-4-201, C.R.S., "Off-the-Top" appropriations are limited to: 1) the Colorado State Patrol in the Department of Public Safety; 2) the Department of Revenue for the Ports of Entry program; and 3) related capital projects.

As part of the Joint Budget Committee's budget balancing package, the Committee has introduced legislation to allow the use of HUTF "Off-the-Top" appropriations in the Department of Revenue for the Division of Motor Vehicles for FY 2008-09 and FY 2009-10. The appropriations for the Division of Motor Vehicles shown below are for informational purposes and reflect the proposed legislation to allow the use of "Off-the-Top" moneys in the Division of Motor Vehicles.

HUTF "Off-the-Top" Appropriation Comparison				
Department	FY 2008-09 Appropriation	FY 2009-10 Recommendation	Change	Percent Change
Public Safety - Colorado State Patrol	\$92,484,755	\$93,918,145	\$1,433,390	1.6%
Revenue - Ports of Entry	9,744,130	9,712,458	(31,672)	-0.3%
Capital Construction Projects	0	1,217,719	1,217,719	N/A
The amounts below reflect the proposed JBC Budget Balancing Package				
Revenue - Ports of Entry	(130,000)	0	130,000	-100.0%
Revenue - Division of Motor Vehicles	649,381	4,064,839	3,415,458	526.0%
Total	\$102,748,266	\$108,913,161	\$6,164,895	6.0%
Allowable 6.0% Limit	\$102,748,266	\$108,913,161	n/a	n/a
Amount Over/(Under) 6.0% limit	\$0	\$0	n/a	n/a

The recommendation for the Department of Public Safety includes the following major changes: (1) an increase of \$1.9 million for centrally-appropriated line items in FY 2009-10; (2) a reduction of \$3.9 million to reflect the elimination of salary survey and performance-based pay awards for FY 2009-10; (3) a reduction of \$166,000 to annualize performance-based pay awards provided in FY 2008-09; (4) a reduction of \$143,000 for indirect cost

adjustments; and (5) a reduction of \$108,000 to annualize prior year funding associated with decision items and special legislation.

The recommendation for the Department of Revenue for the Ports of Entry program includes the following changes: (1) an increase of \$116,000 in centrally appropriated line items; and (2) a reduction of \$17,000 to annualize performance-based pay awards provided in FY 2008-09. The recommendation for the Division of Motor Vehicles includes an increase of \$3.4 million in "Off-the-Top" funds in FY 2009-10.

The recommendation further includes \$1.2 million for phase 2 of the Colorado State Patrol's Alamosa Troop Office capital construction project. The project was originally funded with Capital Construction Funds that were frozen in FY 2008-09.

GENERAL POLICIES

The recommendations for many line items are determined by general policies applied consistently to State agencies. A brief explanation for each of these line items and policies is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are included for the twelve departments that use such services. The recommended billing is calculated by applying each department's percentage of actual ALJ use in FY 2007-08 to the Administrative Courts' overhead (personal services, centrally appropriated line items such as health, life, and dental and short-term disability insurance, operating expenses, and indirect costs). In FY 2009-10, spending authority for the Administrative Courts totals approximately \$4.6 million.

ADP Capital Outlay and Information Technology Asset Maintenance

These line items fund the replacement or addition of automated data processing equipment. Automated Data Processing (ADP) Capital Outlay is the common title for one-time, incidental information technology appropriations. The Information Technology Asset Maintenance line item is used by departments to fund network maintenance, hardware and software maintenance contracts, and anti-virus software. Requests for these items are reviewed by the Governor's Office of Information Technology.

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, which is located in Golden. This line item appears in each department's Executive Director's Office, with some exceptions. The recommended funding level is based on a rate of \$12.72 per square foot for the Capitol Complex, \$5.84 per square foot for the North Campus, \$5.73 per square foot for the Pierce Street Building, \$8.22 per square foot for the Grand Junction State Office Building, and \$1.23 per square foot for Camp George West. Tenants of Camp George West are also appropriated funds in the Capitol Complex Leased Space line item for utility payments that are not included in that campus' square footage rate. The recommended funds may not be used for leased space outside of these facilities, which are administered by the Department of Personnel and Administration, Division of Central Services. A matching amount of transfer spending authority, \$11.5 million for FY 2009-10, is appropriated to the Department of Personnel and Administration to pay all costs associated with maintenance and upkeep for 754,366 square feet of space in the Capitol Complex, 42,871 square feet of space in the North Campus, 116,448 square feet for the Pierce Street Building, 34,499 square feet in the Grand Junction State Office Building, and 296,077 square feet at Camp George West.

Communication Services Payments

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the overhead related to the State's public safety communications infrastructure. For FY 2009-10, the recommendation is for a continuation level of funding from FY 2008-09. Billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communications Services program in the Governor's Office of Information Technology. This amounts to recoverable costs of \$4.6 million.

Community Provider Rates

The recommendation includes no community provider rate increases or decreases for programs in the Department of Human Service. In the Department of Corrections, the recommendation includes a 2.125 percent increase for private prison providers. Provider rate adjustments for programs administered in the Department of Health Care Policy and Financing are detailed in the Long Bill Narrative section for that department. Historically, community provider rate adjustments have been applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff.

Health, Life, and Dental

This line item appears in each department's Executive Director's Office. For FY 2009-10, the total statewide cost of health, life, and dental benefits for all employees, except higher education faculty and administration, is expected to be approximately \$145.4 million, including approximately \$88.5 million from the General Fund. For FY 2009-10, the state contribution rate recommendation for employee benefits is \$389.36 per month for a single employee, \$647.42 per month for an employee and spouse, \$684.28 per month for an employee and one or more children, and \$942.34 per month for an employee and family. State employees make payroll contributions to pay for the difference between the state contribution level and the premiums for the plans and coverages selected during the open enrollment period each year. Approximately 20,500 employees participate in the State's medical insurance plans, not including institutions of higher education.

Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would be supported by the General Fund, from cash- and federally-funded programs. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. In FY 2009-10, the statewide indirect cost recovery plan is estimated to recover \$15.7 million from cash - and federally-funded programs. This represents \$3.0 million less than was recovered in FY 2008-09

from cash and federally-funded programs. Due to changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the Executive Director's Office. These costs are calculated and assessed based upon an allocation methodology adopted by the Joint Budget Committee. Generally, indirect cost recoveries are appropriated as reappropriated funds in the Executive Director's Office, where they offset General Fund, and are appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned.

Lease Purchase

The recommendation is for a continuation of existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual basis and funded where appropriate. No funds may be expended for lease purchase except those specifically appropriated for that purpose.

Leased Space

This line item appears in each department's Executive Director's Office, with some exceptions. The intent is to ensure that each executive director reviews and manages a department's use of leased space.

Legal Services

This line item appears in each department's Executive Director's Office, with some exceptions. Funding is recommended so each department can purchase necessary legal services from the Department of Law. For FY 2009-10, agencies will pay an average of \$75.38 per hour for legal services, which are provided by both attorneys and paralegals. The appropriation to the Department of Law is sufficient to fund personal services and associated expenses, operating expenses, litigation expenses, and indirect costs for a projected 337,850 hours of statewide legal service at a cost of \$25.5 million in FY 2009-10.

Management and Administration of OIT

This line item appears in each department's Executive Director's Office or in the department's centralized IT services division. The Governor's Office of Information Technology is responsible for a variety of general IT policies for the state, including network security and standardization of hardware and software. This line item covers expenses associated with the division-level management of the Office and the "back office" functions such as IT security that were authorized by S.B. 08-155. For FY 2009-10, the recommendation is for annualization of the FY 2008-09 change request which fully refinanced the funding for the Governor's Office of Information Technology, Management and Administration of OIT program with fees from user agencies. The Office will recover \$1.8 million from other agencies for the Management and Administration of OIT function in FY 2009-10.

Multiuse Network Payments

This line item appears in each department's Executive Director's Office, with a few exceptions. The multiuse network aggregates the State's telecommunications infrastructure onto one medium of transport. The network carries the State's voice, video, text, and graphics communications needs, and it also serves as the Internet service provider for the State. Additionally, local governments and other governmental agencies can access the network through the State, rather than through its private sector partner, which is a consortium of several telecommunications providers. Costs for the multiuse network include the Governor's Office of Information Technology overhead, internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. The FY 2009-10 recommendation is for a continuation level of funding from FY 2008-09, and the Governor's Office of Information Technology Multiuse Network program will collect \$11.2 million from other state agencies.

Operating Expenses

For FY 2009-10, the recommendation is to fund operating expenses at a continuation level of funding, with some individual exceptions. The Joint Budget Committee has historically recommended inflationary increases for operating expenses related to food, medical, and laboratory services in departments in which these costs are not incidental. The recommendation does not include inflationary increases for FY 2009-10.

Payment to Risk Management and Property Funds

This line item appears in each department's Executive Director's Office. The recommendation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs for the State's liability self-insurance and to pay premiums. There is an aggregate deductible of \$1.25 million for each policy year for the State's property insurance policies, which hold \$500.0 million in total coverage. In FY 2009-10, the risk management and property program will cost \$19.3 million.

Personal Services

The FY 2009-10 recommendation for personal services line items incorporates increases provided in FY 2008-09 in centrally-appropriated salary-survey and performance-based pay line items. The recommendation does not include any reductions to account for turnover vacancy savings. In previous years, the Joint Budget Committee has applied a base reduction of between 0.2 and 2.5 percent to personal services line items to account for turnover vacancy savings.

Public Employees' Retirement Association (PERA)

Each personal services recommendation includes the designated state retirement contribution to PERA for all eligible employees. Pursuant to Section 24-51-408.5 (6) (a), C.R.S., the contribution rate is adjusted based on any over- or under-funding of the PERA trust funds. For FY 2009-10, the contribution rate is 10.15 percent of base salaries for most state employees. However, the rates for state troopers and judges are 12.85 percent and 13.66 percent of base salary, respectively. In general, state employees also contribute 8.0 percent of their base salary to their respective defined benefit or defined contribution plans.

S.B. 04-257 Amortization Equalization Disbursement (AED)

Pursuant to S.B. 04-257, the State must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The current amortization period is infinite. Beginning on January 1, 2006, the State provided an additional 0.5 percent of base salaries to the PERA trust fund. Beginning January 1, 2009, the state AED rate reached 1.8 percent of base salaries. Beginning January 1, 2010, the State will provide an additional 0.4 percent of base salaries to the PERA trust fund, thus bringing the total AED state contribution to 2.2 percent of base salaries.

S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED)

Pursuant to S.B. 06-235, employees must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. Beginning January 1, 2008, employees began to contribute an additional 0.5 percent of their total payroll to the PERA trust fund. Beginning January 1, 2009, the state SAED rate reached 1.0 percent of base salaries. Beginning January 1, 2010, the State will provide an additional 0.5 percent of base salaries to the PERA trust fund, thus bringing the total SAED state contribution to 1.5 percent of base salaries.

Purchase of Services from Computer Center

Funds for General Government Computer Center (GGCC) services are included for all departments that use such services. The program resides within the Governor's Office of Information Technology. In prior years, the recommended billing was calculated by applying each department's percentage of actual GGCC use in the most recent actual fiscal year to the Computer Services programs' overhead (Personal Services, centrally appropriated line items such as Short-term Disability insurance, Operating Expenses, Indirect cost, etc.). For FY 2009-10, the recommendation is for a continuation level of funding from FY 2008-09. Spending authority for the computer services program is approximately \$16.7 million.

Salary Survey and Senior Executive Service

The recommendation does not include appropriations for salary survey increases for FY 2009-10. Salary survey increases for department staff, when provided, are funded through centrally-appropriated line items in the Executive Director's Office of the Department's budget in the year of

the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Performance-based Pay Awards

The recommendation does not include appropriations for performance-based pay increases for FY 2009-10. Performance-based pay increases for department staff, when provided, are funded through centrally-appropriated line items in the Executive Director's Office of the Department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Shift Differential

This line item appears in each applicable department's Executive Director's Office, with the exception of the Department of Higher Education. Shift differential payments provide higher wages for evening, night, and weekend shifts. In FY 2009-10, shift differential payments for all state employees total approximately \$12.0 million, including approximately \$6.9 million from the General Fund.

Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The recommended amounts are based on 0.155 percent of each employee's base salary. This line item appears in each department's Executive Director's Office and cannot be expended for any other purpose.

Utilities

In general, departments pay for utility costs from either the base Operating Expenses appropriation or a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. The recommendation for FY 2009-10 is dependent upon the specific circumstances regarding utilities in each department.

Vehicle Lease Payments

This line item appears in each department's Executive Director's Office, with a few exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The recommendation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type. The lease payments are sufficient to recover the annual costs of program administration and the lease purchase installment payments for replacement and additional vehicles, which are financed by a private company. For FY 2009-10, the Joint Budget Committee approved the replacement of 624 vehicles

and the acquisition of 13 additional vehicles statewide. For FY 2009-10, the Department of Personnel will spend approximately \$14.0 million on vehicle lease payments.

Workers' Compensation

This line item appears in each department's Executive Director's Office. The recommendation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program is administered by Pinnacol Assurance (formerly Colorado Compensation Insurance Authority) and covers employees in all departments (except the University of Colorado and the Colorado State University, which operate separate, self-insured programs). A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs. This coverage will cost \$38.4 million for FY 2009-10. Please note that these figures include the institutions of the Department of Higher Education that have not exempted themselves from this program under the provisions of H.B. 04-1009.

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Department of Agriculture

Department Description: The Department of Agriculture regulates, promotes and supports various agriculture activities throughout Colorado. Department personnel perform a wide range of services including regulatory and inspection services relating to agriculture; to make investigations and conduct hearings; foster and encourage the standardizing, grading, inspection, labeling, handling, storage, and marketing of agricultural products; and agricultural-related policy analysis. The Department is comprised of the Commissioner's Office and Administrative Services, the Agricultural Services Division, the Agricultural Markets Division, Brand Board, Special Purpose, the Colorado State Fair, and the Conservation Board.

Summary Table for Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$39,050,930	\$7,223,168	\$26,796,487	\$1,065,306	\$3,965,969	291.8
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Commissioner's Office and Administrative Services	(346,584)	(137,167)	(262,312)	55,300	(2,405)	3.6
Agricultural Services Division	706,360	183,720	486,453	0	36,187	0.0
Agricultural Markets Division	21,348	21,453	(105)	0	0	0.0
Brand Board	175,519	0	175,519	0	0	0.0
Special Purpose	730,027	0	730,027	0	0	(3.0)
Colorado State Fair	(584,124)	0	(584,124)	0	0	0.0
Conservation Board	(4,660)	(4,660)	0	0	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$39,748,816	\$7,286,514	\$27,341,945	\$1,120,606	\$3,999,751	292.4
\$ Change from prior year	\$697,886	\$63,346	\$545,458	\$55,300	\$33,782	0.6
% Change from prior year	1.8%	0.9%	2.0%	5.2%	0.9%	0.2%

Recommendation Highlights:

1. Reduces \$839,590, including \$336,747 General Fund, with the exclusion of increases for salary survey and performance-based pay.
2. Adds \$793,370, including \$313,771 General Fund, for salary and benefit adjustments.
3. Increases \$749,777 cash funds spending authority from the Agriculture Management Fund and reduces 3.0 FTE appropriated in the previous fiscal year by H.B. 08-1399.
4. Provides \$100,069 cash funds spending authority for the replacement of a large-scale measurement standards test truck, a complete set of test weights, and a hoist.

Budget Recommendation Detail by Long Bill Division

Commissioner's Office and Administrative Services: The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the state. The Administrative Services section provides administrative and technical support for various programs within the Department, such as accounting, budgeting, human resources, and computer programming.

Commissioner's Office & Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$8,720,046	\$2,193,819	\$2,612,637	\$1,020,306	\$2,893,284	28.1
Recommended Changes from FY 2008-09 Appropriation						
Centrally-appropriated line items	300,831	87,397	203,375	0	10,059	0.0
Annualize salary and benefits adjustments	94,116	94,116	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	82,011	82,011	0	0	0	0.0
Indirect cost assessment	25,827	(55,300)	0	55,300	25,827	0.0
Postage increase	796	211	0	0	585	0.0
Federal grants staffing	0	0	0	0	0	3.6
Eliminate salary survey and performance-based pay	(839,590)	(336,747)	(463,967)	0	(38,876)	0.0
Operating adjustments	(10,575)	(8,855)	(1,720)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$8,373,462	\$2,056,652	\$2,350,325	\$1,075,606	\$2,890,879	31.7
\$ Change from prior year	(\$346,584)	(\$137,167)	(\$262,312)	\$55,300	(\$2,405)	3.6
% Change from prior year	(4.0)%	(6.3)%	(10.0)%	5.4%	(0.1)%	12.8%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from the state's computer center, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Indirect cost assessment: The recommendation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation, as well as an increase from federal funds.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Federal grants staffing: The recommendation includes an increase of 3.6 FTE related to adjustments in the number of staff supporting federal grants received by the Department.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Operating adjustments: The recommendation includes a reduction of \$10,575, including \$8,855 General Fund related to contractual leased space adjustments.

Agricultural Services Division: This division administers most of the Department's major programs and various statutory responsibilities. The division is divided among three distinct programs:

Inspection and Consumer Services: This section ensures compliance with product quality standards through licensing and inspection; certifies commercial weights and measurement devices; and analyzes fertilizer and animal feed for chemical contaminants;

Animal Industry: This section is responsible for monitoring the health of livestock and other animals used in various fields of agriculture, and for the implementation of pest control; and

Plant Industry: This section manages statewide pest control programs, registers pesticides and pesticide applicators, and inspects both plants and plant byproducts intended for domestic and international export.

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$12,262,530	\$3,755,353	\$7,934,492	\$0	\$572,685	152.3
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	500,690	177,862	286,012	0	36,816	0.0
Measurement standards test truck	100,069	0	100,069	0	0	0.0
Annualize FY 2008-09 hiring freeze	70,888	0	70,888	0	0	0.0
Indirect cost assessment	24,063	0	24,692	0	(629)	0.0
Postage increase	14,175	6,428	7,747	0	0	0.0
Operating adjustments	(3,525)	(570)	(2,955)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$12,968,890	\$3,939,073	\$8,420,945	\$0	\$608,872	152.3

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$706,360	\$183,720	\$486,453	\$0	\$36,187	0.0
% Change from prior year	5.8%	4.9%	6.1%	n/a	6.3%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Measurement standards test truck: The recommendation includes \$100,069 cash funds to replace a large-scale measurement standards test truck, a complete set of test weights, and a hoist.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions of \$70,888 cash funds associated with the FY 2008-09 hiring freeze.

Indirect cost assessment: The recommendation includes a net increase in the division's indirect cost assessment.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Operating adjustments: The recommendation includes a reduction of \$3,525, including \$570 General Fund, related to the adoption of email as a means of communication, eliminating a portion of costs related to mailing applications for various programs within the division.

Agricultural Markets Division: This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The Agricultural Markets Division also coordinates various market orders, promotes Colorado agricultural products, and works to assist start-up or expanding food processing companies within the state.

Agricultural Markets Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,099,731	\$425,474	\$629,257	\$45,000	\$0	5.2
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	21,453	21,453	0	0	0	0.0
Indirect cost assessment	(105)	0	(105)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,121,079	\$446,927	\$629,152	\$45,000	\$0	5.2
\$ Change from prior year	\$21,348	\$21,453	(\$105)	\$0	\$0	0.0
% Change from prior year	1.9%	5.0%	0.0%	0.0%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation includes a net increase in the division's indirect cost assessment.

Brand Board: The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division also administers and records livestock brands. The Board also inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The source of funding is fees for service. Under Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution (TABOR).

Brand Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,921,832	\$0	\$3,921,832	\$0	\$0	66.3
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	114,584	0	114,584	0	0	0.0
Fuel increase	55,797	0	55,797	0	0	0.0
Indirect cost assessment	5,138	0	5,138	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$4,097,351	\$0	\$4,097,351	\$0	\$0	66.3
\$ Change from prior year	\$175,519	\$0	\$175,519	\$0	\$0	0.0
% Change from prior year	4.5%	n/a	4.5%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Fuel increase: The recommendation includes an increase \$55,797 cash funds spending authority to cover estimated additional costs associated with fuel increases for the Brand Board.

Indirect cost assessment: The recommendation includes a net increase in the division's indirect cost assessment.

Special Purpose: This Long Bill section is comprised of the Wine Promotion Board, which promotes wines produced in Colorado; the Vaccine and Service Fund, which provides for the vaccination of calves against brucellosis; and the Brand Estray Fund, which funds the maintenance and sale or return of stray livestock. Cash funds are from the Agriculture Management Fund, the Colorado Wine Industry Development Fund, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,132,342	\$0	\$2,132,342	\$0	\$0	7.5
Recommended Changes from FY 2008-09 Appropriation						
Agriculture Management Fund adjustments	749,777	0	749,777	0	0	(3.0)
Annualize salary and benefits adjustments	4,839	0	4,839	0	0	0.0
Postage increase	152	0	152	0	0	0.0
Indirect cost assessment	(24,741)	0	(24,741)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,862,369	\$0	\$2,862,369	\$0	\$0	4.5
\$ Change from prior year	\$730,027	\$0	\$730,027	\$0	\$0	(3.0)
% Change from prior year	34.2%	n/a	34.2%	n/a	n/a	(40.0)%

Issue Descriptions

Agriculture Management Fund adjustments: Increases \$749,777 cash funds spending authority from the Agriculture Management Fund and reduces 3.0 FTE appropriated in the previous fiscal year by H.B. 08-1399.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Indirect cost assessment: The recommendation includes a net increase in the division's indirect cost assessment.

Colorado State Fair: This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the 11 member State Fair Authority. The source of funding is fees collected by the Colorado State Fair during its 11-day run each August and from non-fair events held at the State Fairgrounds in Pueblo, Colorado, throughout the remainder of the year. The State Fair is designated as a Type 1 agency under the provisions of Section 24-1-105, C.R.S.

Colorado State Fair	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$9,115,927	\$0	\$9,115,927	\$0	\$0	26.9
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	37,348	0	37,348	0	0	0.0
Indirect cost assessment	25,118	0	25,118	0	0	0.0
Reduce spending authority	(646,590)	0	(646,590)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$8,531,803	\$0	\$8,531,803	\$0	\$0	26.9
\$ Change from prior year	(\$584,124)	\$0	(\$584,124)	\$0	\$0	0.0
% Change from prior year	(6.4)%	n/a	(6.4)%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation includes a net increase in the division's indirect cost assessment.

Reduce spending authority: The recommendation reflects a decrease of \$646,590 cash funds related to the full repayment of debt incurred to build the Events Center located on the grounds of the State Fair.

Conservation Board: The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates various federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices.

Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,798,522	\$848,522	\$450,000	\$0	\$500,000	5.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	20,340	20,340	0	0	0	0.0
Reduce matching grants to districts	(25,000)	(25,000)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,793,862	\$843,862	\$450,000	\$0	\$500,000	5.5
\$ Change from prior year	(\$4,660)	(\$4,660)	\$0	\$0	\$0	0.0
% Change from prior year	(0.3)%	(0.5)%	0.0%	n/a	0.0%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Reduce matching grants to districts: The recommendation includes a decrease of \$25,000 General Fund for matching grants to local conservation districts.

Department of Corrections

Department Description: The Department of Corrections is responsible for the following activities: (1) managing, supervising, and controlling the correctional facilities operated and supported by the state; (2) supervising inmates who are placed on parole or who are placed in community corrections programs; (3) developing a systematic building program providing for the projected, long-range needs of the institutions under the Department's control; and (4) developing correctional industries within the institutions, which have a rehabilitative or therapeutic value for inmates.

Summary Table for Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$755,033,828	\$671,040,199	\$40,403,573	\$42,294,502	\$1,295,554	6,582.9
Long Bill Supplemental	(1,149,470)	(4,091,942)	2,942,472	0	0	1.0
FY 2008-09 Adjusted Appropriation	\$753,884,358	\$666,948,257	\$43,346,045	\$42,294,502	\$1,295,554	6,583.9
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Management	(1,845,517)	1,703,654	(3,136,608)	(191,144)	(221,419)	0.3
Institutions	4,143,159	4,395,365	(252,206)	0	0	(58.7)
Support Services	1,805,589	1,813,764	1,626	(9,801)	0	2.4
Inmate Programs	5,602,914	6,457,865	(619,042)	(119,184)	(116,725)	74.5
Community Services	4,446,829	5,220,782	(320,000)	(92,050)	(361,903)	19.2
Parole Board	(1,106)	(1,106)	0	0	0	0.0
Correctional Industries	999,665	0	999,665	0	0	5.3
Canteen Operation	60,080	0	60,080	0	0	0.0
Total FY 2009-10 JBC Long Bill Recommendation	\$769,095,971	\$686,538,581	\$40,079,560	\$41,882,323	\$595,507	6,626.9
Statutory Appropriations	2,806,383	2,403,613	402,770	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$771,902,354	\$688,942,194	\$40,482,330	\$41,882,323	\$595,507	6,626.9
\$ Change from prior year	\$18,017,996	\$21,993,937	(\$2,863,715)	(\$412,179)	(\$700,047)	43.0
% Change from prior year	2.4%	3.3%	(6.6)%	(1.0)%	(54.0)%	0.7%

Recommendation Highlights:

1. Provides \$18.6 million General Fund to annualize salary survey and performance-based pay, as well as benefits adjustments for health, life, and dental insurance, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential.
2. Provides \$8.0 million General Fund to reimburse private prison providers based on the anticipated caseload growth to the private prison population using the Legislative Council Staff inmate population projections.

3. Provides \$3.0 million General Fund and 34.8 FTE associated with additional academic and vocational instructors.
 4. Provides \$2.4 million General Fund associated with increasing the provider rate to private prison providers from \$52.69 to \$53.81 (2.125 percent increase).
 5. Provides \$2.1 million General Fund and 33.9 FTE associated with additional therapeutic community programs within prisons.
 6. Provides \$1.9 million General Fund associated with removing refinancing that occurred during the FY 2008-09 supplemental process.
 7. Provides \$1.8 million General Fund associated with restoring parole wrap-around services funding that was eliminated during the FY 2008-09 supplemental process.
 8. Provides 15.0 FTE for additional community re-entry staff, which are funded through anticipated savings in the External Capacity Subprogram.
 9. Includes a reduction of \$10.6 million General Fund associated with eliminating the appropriations for salary survey and performance-base pay.
 10. Includes a reduction of \$5.2 million General Fund and 71.2 FTE associated with the closure of the Colorado Women's Correctional Facility (CWCF).
 11. Includes a reduction of \$3.1 million General Fund associated with additional community corrections and therapeutic community beds. These community beds reduce the need for prison beds, and therefore, they create savings in the Department.
 12. Includes a reduction of \$0.8 million General Fund to eliminate one-time funds appropriated in FY 2008-09.
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Budget Recommendation Detail by Long Bill Division

Management: The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram is used to reimburse private prisons, local jails, the pre-release parole revocation facility, and community programs created pursuant to S.B. 03-252. This subprogram also contains staff for the private prison monitoring unit which oversees the private prisons to determine their compliance with contractual provisions. The Inspector General Subprogram is responsible for investigating crimes in prisons.

Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$206,495,886	\$200,925,603	\$4,784,900	\$483,364	\$302,019	98.0
Long Bill Supplemental	(5,140,055)	(8,082,527)	2,942,472	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$201,355,831	\$192,843,076	\$7,727,372	\$483,364	\$302,019	98.0
Recommended Changes from FY 2008-09 Adjusted Appropriation						
External capacity caseload increase	8,045,057	10,987,529	(2,942,472)	0	0	0.0
Centrally-appropriated line items	3,915,718	3,816,445	99,273	0	0	0.0
Provider rate increase	2,393,596	2,393,596	0	0	0	0.0
Annualize salary and benefits adjustments	277,505	277,505	0	0	0	0.0
Annualize prior year funding	199,338	193,307	6,031	0	0	0.3
Increase for lease escalators	116,908	116,908	0	0	0	0.0
Restore reduction taken in FY 2008-09 for DNC reimbursement	68,730	68,730	0	0	0	0.0
Inspector general increase due to growing caseload	14,075	14,075	0	0	0	0.0
Central impact of various decision items	1,875	1,875	0	0	0	0.0
Eliminate salary survey and performance-based pay	(10,912,230)	(10,612,790)	(299,440)	0	0	0.0
Reduction for additional diversion community corrections beds	(2,245,538)	(2,245,538)	0	0	0	0.0
Reduction to fund additional re-entry staff	(1,113,882)	(1,113,882)	0	0	0	0.0
Reduction for additional inpatient therapeutic community beds	(882,176)	(882,176)	0	0	0	0.0
Reduction for accelerated non-residential diversion community corrections pilot	(801,978)	(801,978)	0	0	0	0.0
CWCF closure	(432,053)	(432,053)	0	0	0	0.0
Adjustment for anticipated grant funds	(412,563)	0	0	(191,144)	(221,419)	0.0
Reduction to fund additional research and evaluation staff	(65,515)	(65,515)	0	0	0	0.0
Eliminate one-time appropriations	(12,384)	(12,384)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$199,510,314	\$194,546,730	\$4,590,764	\$292,220	\$80,600	98.3
\$ Change from prior year	(\$1,845,517)	\$1,703,654	(\$3,136,608)	(\$191,144)	(\$221,419)	0.3
% Change from prior year	(0.9)%	0.9%	(40.6)%	(39.5)%	(73.3)%	0.3%

Issue Descriptions

Long Bill Supplemental: The recommendation includes adjustments to FY 2008-09 appropriations based on caseload impacts.

External capacity caseload increase: The recommendation includes funding to support a higher average daily population in private prisons based on the December 2009 Legislative Council Staff inmate population projections.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, payments to risk management and property funds, and capitol complex leased space.

Provider rate increase: The recommendation includes an increase to account for a 2.125 percent increase in the per diem rate paid to private prisons.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year funding: The recommendation includes funding to annualize legislation and budget actions approved for FY 2008-09.

Increase for lease escalators: The recommendation includes funding for increases related to various leases within the Department.

Restore reduction taken in FY 2008-09 for DNC reimbursement: The recommendation includes funding to remove a one-time reduction taken during the FY 2008-09 supplemental process related to reimbursement from the Democratic National Convention.

Inspector general increase due to growing caseload: The recommendation includes funding to support additional operating expenses based on inmate population growth.

Central impact of various decision items: The recommendation includes health, life, and dental insurance, short-term disability insurance, amortization equalization disbursement, and leased space increases associated with various decision items to increase staff throughout the Department.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Reduction for additional diversion community corrections beds: The recommendation includes a reduction related to the increase in diversion community corrections base beds.

Reduction to fund additional re-entry staff: The recommendation includes a reduction to fund additional community re-entry staff.

Reduction for additional inpatient therapeutic community beds: The recommendation includes a reduction associated with the increase in inpatient therapeutic community beds for southern Colorado.

Reduction for accelerated non-residential diversion community corrections pilot: The recommendation includes a reduction associated with a non-residential diversion community corrections pilot project being implemented in the Division of Criminal Justice (Department of Public Safety).

CWCF closure: The recommendation includes adjustments related to the closure of the Colorado Women's Correctional Facility (CWCF).

Adjustment for anticipated grant funds: The recommendation includes adjustments to reflect the anticipated level of grant funds that will be received by the Department in FY 2009-10.

Reduction to fund additional research and evaluation staff: The recommendation includes a reduction to fund additional staff to research and evaluate recidivism reduction programs.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Institutions: The Institutions Division includes all costs directly attributable to the operation of state-owned and operated prisons. These costs include utilities, maintenance, housing and security, food service, medical services, laundry, superintendents, the Boot Camp, the Youth Offender System, case management, mental health, inmate pay, the San Carlos Correctional Facility, and legal access.

Institutions	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$374,426,661	\$372,891,225	\$1,455,436	\$0	\$80,000	4,980.9
Long Bill Supplemental	3,990,585	3,990,585	0	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$378,417,246	\$376,881,810	\$1,455,436	\$0	\$80,000	4,980.9
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	10,467,204	10,467,204	0	0	0	0.0
Medical increases based on caseload growth	536,632	536,632	0	0	0	0.0
Caseload increase for laundry operating expenses and dress out expenses	152,296	152,296	0	0	0	0.0
Annualize prior year funding	144,899	144,899	0	0	0	3.5
Restore reduction taken in FY 2008-09 for DNC reimbursement	57,627	57,627	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	14,537	14,537	0	0	0	0.0
Postage increase and mail equipment upgrade	4,434	4,434	0	0	0	0.0
Additional inmate pay related to adding re-entry programs	2,808	2,808	0	0	0	0.0
Change in indirect cost recoveries	0	1,330	(1,330)	0	0	0.0
CWCF closure	(4,245,250)	(4,245,250)	0	0	0	(62.2)

Institutions	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reduction for five-year statutory appropriations	(2,657,436)	(2,406,560)	(250,876)	0	0	0.0
Reduction related to Buena Vista sanitation settlement	(250,000)	(250,000)	0	0	0	0.0
Eliminate one-time appropriations	(84,592)	(84,592)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$382,560,405	\$381,277,175	\$1,203,230	\$0	\$80,000	4,922.2
\$ Change from prior year	\$4,143,159	\$4,395,365	(\$252,206)	\$0	\$0	(58.7)
% Change from prior year	1.1%	1.2%	(17.3)%	n/a	0.0%	(1.2)%

Issue Descriptions

Long Bill Supplemental: The recommendation includes adjustments to FY 2008-09 appropriations based on caseload impacts.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Medical increases based on caseload growth: The recommendation includes increases associated with medical expenses for inmates based on projected growth in the inmate population.

Caseload increase for laundry operating expenses and dress out expenses: The recommendation includes additional funding, based on inmate population growth, for clothing and dress out expenses for inmates who are released from prison (clothing, bus ticket, and \$100).

Annualize prior year funding: The recommendation includes funding to annualize legislation and budget actions approved for FY 2008-09.

Restore reduction taken in FY 2008-09 for DNC reimbursement: The recommendation restores funding from a one-time reduction related to reimbursement from the Democratic National Convention.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

Additional inmate pay related to adding re-entry programs: The recommendation includes funding for inmate pay related to the addition of community re-entry programs.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

CWCF closure: The recommendation includes adjustments related to the closure of the Colorado Women's Correctional Facility (CWCF).

Reduction for five-year statutory appropriations: The recommendation includes adjustments to reflect the funding that will be provided to the Department of Corrections statutorily in FY 2009-10 for criminal sentencing bills that were enacted in prior legislative sessions.

Reduction related to Buena Vista sanitation settlement: The recommendation includes a reduction to reflect unused settlement funds related to a billing dispute with the Buena Vista Sanitation District.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Support Services: The Support Services Division includes business operations, personnel, offender services, communication, transportation, training, information systems, and facility services.

Support Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$28,133,250	\$27,511,987	\$610,564	\$10,699	\$0	305.1
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	981,840	981,840	0	0	0	0.0
Centrally-appropriated line items	575,164	552,341	22,823	0	0	0.0
Annualize prior year funding	193,617	193,617	0	0	0	2.4
Administrative impacts of staff increases	62,185	62,185	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	17,199	17,199	0	0	0	0.0
Transportation funding for inmate population growth	6,576	6,576	0	0	0	0.0
Change in indirect cost recoveries	0	20,998	(21,197)	199	0	0.0
Eliminate one-time appropriations	(16,420)	(16,420)	0	0	0	0.0
Adjustment for anticipated grant funds	(10,000)	0	0	(10,000)	0	0.0
Consolidation of Governor's Office of IT	(3,953)	(3,953)	0	0	0	0.0
CWCF closure	(619)	(619)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$29,938,839	\$29,325,751	\$612,190	\$898	\$0	307.5
\$ Change from prior year	\$1,805,589	\$1,813,764	\$1,626	(\$9,801)	\$0	2.4
% Change from prior year	6.4%	6.6%	0.3%	(91.6)%	n/a	0.8%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for vehicle leases.

Annualize prior year funding: The recommendation includes funding to annualize legislation and budget actions approved for FY 2008-09.

Administrative impacts of staff increases: The recommendation includes adjustments for communication services payments and vehicle lease payments for various staffing increases throughout the Department.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Transportation funding for inmate population growth: The recommendation includes funding for additional transportation operating expenses associated with the growing inmate population.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Adjustment for anticipated grant funds: The recommendation includes adjustments to reflect the anticipated level of grant funds that will be received by the Department in FY 2009-10.

Consolidation of Governor's Office of IT: The recommendation includes funding to consolidate the Governor's Office of Information Technology (IT).

CWCF closure: The recommendation includes adjustments related to the closure of the Colorado Women's Correctional Facility (CWCF).

Inmate Programs: The Inmate Programs Division includes all inmate labor programs, educational programs, and recreational programs. This division is also responsible for sex offender treatment and drug and alcohol treatment.

Inmate Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$39,678,578	\$32,830,622	\$5,358,087	\$963,237	\$526,632	580.6
Long Bill Supplemental	0	0	0	0	0	1.0
FY 2008-09 Adjusted Appropriation	\$39,678,578	\$32,830,622	\$5,358,087	\$963,237	\$526,632	581.6
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Additional academic and vocational instructors	2,996,611	2,996,611	0	0	0	34.8
Additional therapeutic community programs in prisons	2,064,593	2,064,593	0	0	0	33.9
Annualize salary and benefits adjustments	1,263,504	1,243,637	19,867	0	0	0.0
Additional funding for TASC	333,000	333,000	0	0	0	0.0
Change in indirect cost recoveries	196	0	0	0	196	0.0
Restore funding for one-time refinancing in FY 2008-09	0	873,044	(873,044)	0	0	0.0
Refinance drug and alcohol treatment appropriation	0	(250,000)	250,000	0	0	0.0
CWCF closure	(571,841)	(567,553)	(4,288)	0	0	(9.0)
Adjustment for anticipated grant funds	(236,105)	0	0	(119,184)	(116,921)	0.0
Eliminate one-time appropriations	(175,140)	(175,140)	0	0	0	0.0
Annualize prior year funding	(71,904)	(60,327)	(11,577)	0	0	14.8
Total FY 2009-10 JBC Recommendation	\$45,281,492	\$39,288,487	\$4,739,045	\$844,053	\$409,907	656.1
\$ Change from prior year	\$5,602,914	\$6,457,865	(\$619,042)	(\$119,184)	(\$116,725)	74.5
% Change from prior year	14.1%	19.7%	(11.6)%	(12.4)%	(22.2)%	12.8%

Issue Descriptions

Long Bill Supplemental: The recommendation includes adjustments to FY 2008-09 appropriations based on caseload impacts.

Additional academic and vocational instructors: The recommendation includes funding for 17 academic instructors (annualized) and 21 vocational instructors (annualized). These instructors would provide General Education Diploma (GED) instruction as well as instruction in multiple vocations.

Additional therapeutic community programs in prisons: The recommendation includes funding for five additional therapeutic community programs in prisons. These programs serve offenders with severe substance abuse needs, and the additional funding would allow 418 additional offenders to be served.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Additional funding for TASC: The recommendation includes funding for additional services under the Treatment Accountability for Safer Communities (TASC) program. The TASC program is a case management centered program that provides assessment and referral services to parolees.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Restore funding for one-time refinancing in FY 2008-09: The recommendation restores funds that were reduced due to one-time refinancing during FY 2008-09.

Refinance drug and alcohol treatment appropriation: The recommendation includes an adjustment to refinance General Fund with cash funds (Drug Offender Surcharge Cash Fund).

CWCF closure: The recommendation includes adjustments related to the closure of the Colorado Women's Correctional Facility (CWCF).

Adjustment for anticipated grant funds: The recommendation includes adjustments to reflect the anticipated level of grant funds that will be received by the Department in FY 2009-10.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Annualize prior year funding: The recommendation includes funding to annualize legislation and budget actions approved for FY 2008-09.

Community Services: The Community Services Division includes the parole, parole Intensive Supervision Program (ISP), community supervision (transition), and community ISP (transition) subprograms. This section also provides funds to supervise offenders in the aftercare program for the Youthful Offender System. Finally, this section includes the Community Re-entry Subprogram to assist offenders in reintegrating to the community following their incarceration.

Community Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$36,086,498	\$35,245,070	\$330,000	\$124,525	\$386,903	413.4
Recommended Changes from FY 2008-09 Appropriation						
Restore parole wrap-around services funding reduced in FY 2008-09	1,800,000	1,800,000	0	0	0	0.0
Annualize salary and benefits adjustments	1,209,471	1,209,471	0	0	0	0.0
Additional community re-entry staff	1,099,809	1,099,809	0	0	0	15.0
Restore funding for one-time refinancing in FY 2008-09	1,000,000	1,000,000	0	0	0	0.0
Restore reduction taken in FY 2008-09 for DNC reimbursement	290,643	290,643	0	0	0	0.0

Community Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	244,315	244,315	0	0	0	3.2
Additional research and evaluation staff	64,845	64,845	0	0	0	1.0
Adjustment for anticipated grant funds	(773,953)	0	(320,000)	(92,050)	(361,903)	0.0
Eliminate one-time appropriations	(487,317)	(487,317)	0	0	0	0.0
Centrally-appropriated line items	(984)	(984)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$40,533,327	\$40,465,852	\$10,000	\$32,475	\$25,000	432.6
\$ Change from prior year	\$4,446,829	\$5,220,782	(\$320,000)	(\$92,050)	(\$361,903)	19.2
% Change from prior year	12.3%	14.8%	(97.0)%	(73.9)%	(93.5)%	4.6%

Issue Descriptions

Restore parole wrap-around services funding reduced in FY 2008-09: The recommendation includes funding to restore parole wrap-around services that were eliminated during the FY 2008-09 supplemental process.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Additional community re-entry staff: The recommendation includes funding for 15.0 FTE for community re-entry staff. These staff assist inmates with community re-entry prior to the inmates' release from prison. These staff are funded through reductions in the External Capacity Subprogram.

Restore funding for one-time refinancing in FY 2008-09: The recommendation includes funding to remove one-time refinancing that occurred during the FY 2008-09 supplemental process.

Restore reduction taken in FY 2008-09 for DNC reimbursement: The recommendation includes funding to remove a one-time reduction taken during the FY 2008-09 supplemental process related to reimbursement from the Democratic National Convention.

Annualize prior year funding: The recommendation includes funding to annualize legislation and budget actions approved for FY 2008-09.

Additional research and evaluation staff: The recommendation includes funding for 1.0 FTE for the research and evaluation of recidivism reduction programs. This 1.0 FTE is funded through reductions in the External Capacity Subprogram.

Adjustment for anticipated grant funds: The recommendation includes adjustments to reflect the anticipated level of grant funds that will be received by the Department in FY 2009-10.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for administrative law judge services.

Parole Board: The Parole Board has discretion to grant or deny parole for persons who were not sentenced under mandatory parole. The Board can stipulate conditions of parole for discretionary and mandatory parolees.

Parole Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,635,692	\$1,635,692	\$0	\$0	\$0	17.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	53,263	53,263	0	0	0	0.0
Eliminate one-time appropriations	(54,369)	(54,369)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,634,586	\$1,634,586	\$0	\$0	\$0	17.5
\$ Change from prior year	(\$1,106)	(\$1,106)	\$0	\$0	\$0	0.0
% Change from prior year	(0.1)%	(0.1)%	n/a	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Eliminate one-time appropriations: The recommendation includes eliminating funds that were appropriated in FY 2008-09 for one-time costs.

Correctional Industries: Correctional Industries manages profit-oriented work programs that provide inmates with training in various job skills while generating revenue to cover its costs. The major businesses operated by Correctional Industries include manufacturing operations for automobile license plates; office furniture, and modular office systems; a print shop; a leather products shop; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is an enterprise. As such, revenues to Correctional Industries do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR).

Correctional Industries	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$53,883,750	\$0	\$13,171,073	\$40,712,677	\$0	157.7
Recommended Changes from FY 2008-09 Appropriation						
Additional resources for growth in correctional industries programs	667,733	0	667,733	0	0	5.3

Correctional Industries	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary and benefits adjustments	349,884	0	349,884	0	0	0.0
Change in indirect cost recoveries	(17,952)	0	(17,952)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$54,883,415	\$0	\$14,170,738	\$40,712,677	\$0	163.0
\$ Change from prior year	\$999,665	\$0	\$999,665	\$0	\$0	5.3
% Change from prior year	1.9%	n/a	7.6%	0.0%	n/a	3.4%

Issue Descriptions

Additional resources for growth in correctional industries programs: The recommendation includes funding based on anticipated growth in correctional industries programs that provide job opportunities for inmates who are incarcerated.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Canteen Operation: The Canteen Operation provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. All net proceeds are required to be used to provide inmates with additional educational, recreational, and social benefits. The Canteen Operation is an enterprise. As such, canteen revenues do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR).

Canteen Operation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$14,693,513	\$0	\$14,693,513	\$0	\$0	29.7
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	63,325	0	63,325	0	0	0.0
Change in indirect cost recoveries	(3,245)	0	(3,245)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$14,753,593	\$0	\$14,753,593	\$0	\$0	29.7
\$ Change from prior year	\$60,080	\$0	\$60,080	\$0	\$0	0.0
% Change from prior year	0.4%	n/a	0.4%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Department of Education

Department Description: The Department supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool and Kindergarten Program, and a variety of grant programs. The Department develops and maintains state model content standards, administers associated assessments, and issues annual accountability reports for every public school in the State. There are also two "type 1" agencies within the Department: (1) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (2) the Board of Trustees for the Colorado School for the Deaf and the Blind, a state-funded school in Colorado Springs which provides educational services to eligible children and youth under the age of 21. Finally, in addition to its responsibilities related to public schools, the Department is charged with ensuring equal access to information and encouraging resource sharing among libraries statewide.

Summary Table for Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$4,251,885,190	\$3,111,907,229	\$624,673,114	\$17,651,668	\$497,653,179	536.1
Long Bill Supplemental	(1,791,955)	(17,511,377)	15,719,422	0	0	0.0
S.B. 09-260 Temporary Transfer of Public School Lands Moneys	0	0	0	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$4,250,093,235	\$3,094,395,852	\$640,392,536	\$17,651,668	\$497,653,179	536.1
Recommended Changes from FY 2008-09 by Long Bill Division						
Management and Administration	3,858,329	(28,603)	(612,356)	4,802,889	(303,601)	5.4
Assistance to Public Schools	434,507,533	146,171,671	175,029,119	231,065	113,075,678	7.9
Library Programs	(101,246)	(275,761)	121,698	0	52,817	0.0
School for the Deaf and the Blind	1,226,690	374,413	755,836	96,441	0	2.6
Total FY 2009-10 Long Bill Recommendation	\$4,689,584,541	\$3,240,637,572	\$815,686,833	\$22,782,063	\$610,478,073	552.0
S.B. 09-269 Adjust Tobacco Settlement Moneys Allocation	(165,296)	0	(165,296)	0	0	0.0
Total FY 2009-10 Recommendation	\$4,689,419,245	\$3,240,637,572	\$815,521,537	\$22,782,063	\$610,478,073	552.0
\$ Change from prior year	\$439,326,010	\$146,241,720	\$175,129,001	\$5,130,395	\$112,824,894	15.9
% Change from prior year	10.3%	4.7%	27.3%	29.1%	22.7%	3.0%

¹ This amount includes a General Fund Exempt appropriation.

Recommendation Highlights:

- Provides for a \$343.3 million increase in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:

- a projected 1.4 percent increase in the number of funded pupils (requiring \$72.3 million total funds); and
- a 4.9 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 3.9 percent in CY 2008 plus an additional 1.0 percent as required by the State Constitution (requiring \$271.0 million total funds).

Although *total* funding will increase by 6.4 percent in FY 2009-10 (\$343.3 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 2.4 percent (\$46.1 million). The recommendation thus reflects an 8.9 percent (\$303.3 million) increase in the *State's* share of funding for districts' total program funding, including a 5.0 percent (\$146.5 million) increase in the General Fund share of the appropriation.

2. Reflects anticipated changes in federal funds, including the following significant changes: an increase of \$97.4 million in additional federal funding that is anticipated to be available to school districts for the provision of special education services for children with disabilities pursuant to the federal American Recovery and Reinvestment Act (ARRA); \$12.5 million increase (13.0 percent) in additional federal awards for federal nutrition programs; and \$2.9 million increase for various federally-sponsored programs.
3. Includes a \$10.7 million cash funds increase (4.9 percent) in state funding for categorical programs as required by the State Constitution. The full amount of the required increase is recommended from the State Education Fund.
4. Adds \$5.9 million cash funds associated with implementing H.B. 08-1335, including an increase of \$10,000,000 in spending authority for lease payments, and an increase of \$384,157 and 4.0 FTE consistent with the anticipated costs of the Division of Public School Capital Construction Assistance. These increases are offset by the elimination of \$4,450,000 in spending authority associated with the financial assistance priority assessment based on work anticipated to be completed in FY 2008-09.
5. Adds \$1.3 million, including \$654,221 General Fund, for salary and benefit adjustments.
6. Restores \$972,895 million cash funds for the Summer School Grant Program.
7. Reduces \$1,447,734, including \$687,317 General Fund, with the exclusion of increases for salary survey and performance-based pay.
8. Adds 4.5 FTE, including an increase of 4.0 FTE to continue implementing H.B. 08-1335, and an increase of 0.5 FTE shown for informational purposes based on anticipated transfers from other agencies.

JBC Sponsored Budget Legislation Summary:

S.B. 09-260 Temporary Transfer of Public School Lands Moneys: For FY 2008-09 and FY 2009-10, transfers to the State Public School Fund the following moneys that would otherwise be credited to the Permanent School Fund: interest or income earned on the Permanent School Fund; rental income earned on state school trust lands; and royalties for the depletion or extraction of natural resources on state school trust lands. Appropriates moneys anticipated to be transferred to the State Public School Fund for the State Share of Districts' Total Program Funding (\$24.6 million in FY 2008-09 and \$37.0 million in FY 2009-10); reduces State Education Fund appropriations for the State Share of Districts' Total Program Funding for each fiscal year by the same amounts.

S.B. 09-269 Adjust Tobacco Settlement Moneys Allocation: See the explanation of this bill in the Department of Public Health and Environment section of this document.

Budget Recommendation Detail by Long Bill Division

Management and Administration: This section provides funding and staff for the State Board of Education, the administration of a variety of education- and library-related programs, educator licensure, and general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for administration of the Colorado Student Assessment Program and for related activities, as well as appropriations related to the State Charter School Institute.

Management and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$43,834,239	\$23,800,701	\$4,104,703	\$7,073,484	\$8,855,351	130.9
Long Bill Supplemental	<u>26,562</u>	<u>(15,692,860)</u>	<u>15,719,422</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$43,860,801	\$8,107,841	\$19,824,125	\$7,073,484	\$8,855,351	130.9
Recommended Changes from FY 2008-09 Appropriation						
Charter School Institute transfer of federal revenue	5,200,000	0	0	5,200,000	0	6.0
Centrally-appropriated line items	587,378	242,797	32,186	83,792	228,603	0.0
Annualize salary and benefits adjustments	318,838	154,333	47,356	84,068	33,081	0.0
Asset maintenance adjustments	213,133	213,133	0	0	0	0.0
Implement H.B. 08-1344	171,554	0	171,554	0	0	2.2
Colorado School for the Deaf and Blind teacher compensation	157,279	157,279	0	0	0	0.0
Budget staff increase	145,119	0	0	145,119	0	2.0
State Board of Education operating increases	42,935	42,935	0	0	0	0.0
Postage increase	24,333	1,869	9,536	12,928	0	0.0
Eliminate salary survey and performance-based pay	(1,447,734)	(687,317)	(50,341)	(144,791)	(565,285)	0.0

Management and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
State Charter School Institute adjustments	(633,108)	0	0	(633,108)	0	(0.9)
Transfer funding for Facility Schools Unit	(523,568)	0	(523,568)	0	0	(3.0)
Annualize prior year funding	(299,432)	143	(299,575)	0	0	0.1
Eliminate funding for the Innovative Schools Act of 2008	(77,990)	(77,990)	0	0	0	(1.0)
Other	(20,408)	(75,785)	496	54,881	0	0.0
Total FY 2009-10 JBC Recommendation	\$47,719,130	\$8,079,238	\$19,211,769	\$11,876,373	\$8,551,750	136.3
\$ Change from prior year	\$3,858,329	(\$28,603)	(\$612,356)	\$4,802,889	(\$303,601)	5.4
% Change from prior year	8.8%	(0.4)%	(3.1)%	67.9%	(3.4)%	4.1%

Issue Descriptions

Long Bill Supplemental: The FY 2009-10 Long Bill contains a section that adjusts two FY 2008-09 appropriations. Specifically, the recommendation: (1) restores \$26,562 General Fund for the State Board of Education to cover the cost of membership dues to the National Association of School Board Executives; and (2) changes the financing of the Colorado Student Assessment Program (CSAP), eliminating the \$15.7 million General Fund appropriation and substituting a \$15.7 million appropriation from the State Education Fund.

Charter School Institute transfer of federal revenue: The recommendation includes a new line item reflecting \$5.2 million in federal moneys received by the Department which is then reappropriated to the State Charter School Institute for pass-through to its charter schools, including 6.0 FTE that these moneys support. The new line item does not indicate a new funding source, but rather provides transparency of the level of federal support that the Department receives and then transfers to the Institute for the support of its charter schools.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, administrative law judge services, purchase of services from the state's computer center, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Management and Administration budget section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Asset maintenance adjustments: The recommendation includes a \$213,133 General Fund increase for two computer systems which require state funding to be in compliance with federal indirect cost rate guidelines.

Implement H.B. 08-1344: The recommendation includes an appropriation for the implementation of H.B. 08-1344 (Educator Background Checks). The enacted bill required, but did not contain, an appropriations clause.

Colorado School for the Deaf and Blind teacher compensation: The recommendation includes \$157,279 General Fund for teacher salary increases at the Colorado School for the Deaf and Blind. Teachers at the school are entitled to compensation in accordance with the previous year's salary scale adopted by the school district which its main campus operates (El Paso District 11), pursuant to Section 22-80-106.5, C.R.S.

Budget staff increase: The recommendation includes an increase of two budgetary positions to provide internal management budget reporting, accounting system maintenance, and provide legislative and executive budget support. These positions will be funded with \$145,119 reappropriated funds from indirect cost recoveries received from the Department's cash- and federally-funded programs.

State Board of Education operating increases: The recommendation includes a General Fund increase to accommodate operating, travel, and membership dues expenditures.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10 for the Department. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Management and Administration budget section in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10. The exception, however is that teachers at the Colorado School for the Deaf and Blind are entitled to compensation in accordance with the previous year's salary scale adopted by the school district which its main campus operates (El Paso District 11), pursuant to Section 22-80-106.5, C.R.S.

State Charter School Institute adjustments: The recommendation includes: a reduction of \$533,422 reappropriated funds and 2.4 FTE required by the Department for administrative duties related to the State Charter Schools Institute; a reduction of \$99,686 reflecting the elimination of accounting, procurement, and grants management support that the State Charter School Institute (SCSI) no longer requires of the Department; and an increase of 1.5 FTE for special education teaching and administrative staff.

Transfer funding for Facility Schools Unit: The recommendation reflects the transfer of funding for the Facility Schools Unit and the Facility Schools Board from this section to the Grant Programs, Distributions, and Other Assistance subsection within the Assistance to Public Schools section.

Annualize prior year funding: The recommendation eliminates \$250,000 cash funds in one-time funding from the State Education Fund for a postsecondary and workforce readiness assessments pilot program (S.B. 08-212), \$85,000 for a teaching and learning conditions survey (H.B. 08-1384), and \$3,455 cash funds related to credentialing occupational education teachers (S.B. 08-17). These reductions are offset with annualized increases of \$38,880 for preschool to postsecondary education alignment (S.B. 08-212) and \$143 General Fund and 0.1 FTE for other annualizations from prior year funding.

Eliminate funding for the Innovative Schools Act of 2008: The recommendation eliminates \$77,990 General Fund and 1.0 FTE for the Innovative Schools Act of 2008.

Other: The recommendation includes the refinancing \$54,881 General Fund with a commensurate amount of reappropriated funds received from the Department's cash- and federally-funded programs, and other adjustments.

Assistance to Public Schools: This section includes all funding that is distributed to public schools or is used to directly support public schools. This section is comprised of the following subsections: (1) Public School Finance; (2) Categorical Programs; and (3) Grant Programs, Distributions, and Other Assistance.

Assistance to Public Schools Section Summary Table	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$4,188,057,492	\$3,075,048,138	\$620,090,109	\$7,130,105	\$485,789,140	203.6
Long Bill Supplemental	(1,818,517)	(1,818,517)	0	0	0	0.0
S.B. 09-260 Temporary Transfer of Public School Lands Moneys	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$4,186,238,975	\$3,073,229,621	\$620,090,109	\$7,130,105	\$485,789,140	203.6
Recommended Changes from FY 2008-09 Appropriation						
Public School Finance	311,268,840	146,503,711	164,745,366	19,763	0	0.0
Categorical Programs	108,214,445	0	10,752,609	3,044	97,458,792	0.5
Grant Programs, Distributions, and Other Assistance	15,024,248	(332,040)	(468,856)	208,258	15,616,886	7.4
Total FY 2009-10 JBC Recommendation	\$4,620,746,508	\$3,219,401,292	\$795,119,228	\$7,361,170	\$598,864,818	211.5
\$ Change from prior year	\$434,507,533	\$146,171,671	\$175,029,119	\$231,065	\$113,075,678	7.9
% Change from prior year	10.4%	4.8%	28.2%	3.2%	23.3%	3.9%

/1 This amount includes a General Fund Exempt Appropriation. See Public School Finance Subsection Detail for information on General Fund Exempt recommended appropriations.

Subsection Detail

Public School Finance: This subsection reflects appropriations related to the state share of funding required pursuant to the School Finance Act of 1994, as amended. The local share of funding is not reflected in the appropriation to the Department. Approximately 818,000 children are currently enrolled in public schools.

Overview: FY 2009-10 Funding for Public School Finance

The recommendation provides for a \$343.3 million increase in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:

- a projected 1.4 percent increase in the number of funded pupils (requiring \$72.3 million total funds); and
- a 4.9 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 3.9 percent in CY 2008 plus an additional 1.0 percent as required by the State Constitution (requiring \$271.0 million total funds).

Although *total* funding will increase by 6.4 percent in FY 2009-10 (\$343.3 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 2.4 percent (\$46.1 million). The recommendation thus reflects a 8.9 percent (\$303.3 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase, including \$297.2 million needed to cover enrollment and inflationary increases and \$6.1 million to eliminate the shortfall

in state funding that occurred in FY 2008-09. The following table details the data and figures related to overall school finance funding.

School Finance: Total Program	FY 08-09 Amended Appropriation	FY 09-10 Recommendation	Change
Funded Pupil Count	778,135.9	788,648.3	10,512.4
<i>Annual Percent Change</i>		<i>1.4%</i>	
Statewide <u>Base</u> Per-Pupil Funding	\$5,250.41	\$5,507.68	\$257.27
<i>Annual Percent Change</i>		<i>4.9%</i>	
Statewide <u>Average</u> Per-Pupil Funding	\$6,881.84	\$7,225.40	\$343.56
<i>Annual Percent Change</i>		<i>5.0%</i>	
Total Program Funding	\$5,355,007,072	\$5,698,295,823	\$343,288,751
<i>Annual Percent Change</i>		<i>6.4%</i>	
<u>Local Share</u> of Districts' Total Program Funding	\$1,955,868,682	\$2,002,007,038	\$46,138,356
<i>Annual Percent Change</i>		<i>2.4%</i>	
Rescission due to shortfall in State Share	\$6,193,184	\$0	(\$6,193,184)
<u>State Share</u> of Districts' Total Program Funding (including appropriation related to business incentive agreements)	\$3,392,945,206	\$3,696,288,785	\$303,343,579
<i>Annual Percent Change</i>		<i>8.9%</i>	
<i>State Share as % of Districts' Total Program</i>	<i>63.4%</i>	<i>64.9%</i>	

The following table and the narrative that follows detail all of the funding changes included in the recommendation.

Public School Finance Subsection	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,394,427,216	\$2,930,074,211	\$462,870,995	\$1,482,010	\$0	18.0
Long Bill supplemental	0	0	0	0	0	0.0
S.B. 09-260 Temporary Transfer of Public School Lands Moneys	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$3,394,427,216	\$2,930,074,211	\$462,870,995	\$1,482,010	\$0	18.0
Recommended Changes from FY 2008-09 Appropriation						
Fund projected enrollment growth and 4.9 percent increase in base per pupil funding	303,343,579	146,503,711	156,839,868	0	0	0.0
Transfer funding related to full-day kindergarten	7,705,498	0	7,705,498	0	0	0.0
Declining enrollment study	200,000	0	200,000	0	0	0.0
Annualize salary and benefits adjustments	39,438	0	0	39,438	0	0.0
Eliminate one-time funding	(19,675)	0	0	(19,675)	0	0.0

Public School Finance Subsection	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2009-10 JBC Recommendation	\$3,705,696,056	\$3,076,577,922	\$627,616,361	\$1,501,773	\$0	18.0
\$ Change from prior year	\$311,268,840	\$146,503,711	\$164,745,366	\$19,763	\$0	0.0
% Change from prior year	9.2%	5.0%	35.6%	1.3%	n/a	0.0%

/1 This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$2,930,074,211	\$2,561,074,211	\$369,000,000
Long Bill supplemental	<u>0</u>	<u>329,748,208</u>	<u>(329,748,208)</u>
FY 2008-09 Adjusted Appropriation	\$2,930,074,211	\$2,890,822,419	\$39,251,792
Fund projected enrollment growth and 4.9 percent increase in base per pupil funding	146,503,711	146,503,711	0
Eliminate General Fund Exempt amount based on FY 2009-10 revenue projections	<u>0</u>	<u>39,251,792</u>	<u>(39,251,792)</u>
Total FY 2009-10 Long Bill Recommendation	\$3,076,577,922	\$3,076,577,922	\$0

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2008-09 and FY 2009-10 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

Issue Descriptions

Long Bill supplemental: The FY 2009-10 Long Bill contains sections that adjust both FY 2007-08 and FY 2008-09 appropriations in order to modify the portion of the General Fund appropriation for the State Share of Districts' Total Program Funding that is identified as General Fund Exempt. These adjustments are based on the Legislative Council Staff March 2009 revenue forecast.

S.B. 09-260 Temporary Transfer of Public School Lands Moneys: For FY 2008-09 and FY 2009-10, transfers to the State Public School Fund the following moneys that would otherwise be credited to the Permanent School Fund: interest or income earned on the Permanent School Fund; rental income earned on state school trust lands; and royalties for the depletion or extraction of natural resources on state school trust lands. Appropriates moneys anticipated to be transferred to the State Public School Fund for the State Share of Districts' Total Program Funding (\$24.6 million in FY 2008-09 and \$37.0 million in FY 2009-10); reduces State Education Fund appropriations for the State Share of Districts' Total Program Funding for each fiscal year by the same amounts.

Fund projected enrollment growth and 4.9 percent increase in base per pupil funding: Section 17 of Article IX of the Colorado Constitution (Amendment 23) requires the General Assembly to increase the statewide base per-pupil funding amount by inflation plus one percent annually for FY 2001-02 through FY 2010-11, and by inflation annually thereafter. The recommendation provides the required \$303.3 million (8.9 percent) increase in *state* funding for the School Finance Act, including:

- \$146.5 million General Fund (a 5.0 percent increase);
- \$155.4 million from the State Education Fund (a 40.2 percent increase); and
- \$1.4 million from the State Public School Fund (a 1.9 percent increase).

Amendment 23 includes a requirement related to the sources of funds the General Assembly uses to provide the required inflationary increases. Specifically, for FY 2001-02 through FY 2010-11, the General Assembly is required to annually increase the General Fund appropriation for districts' total program funding by at least five percent¹. The recommendation for FY 2009-10 reflects a 5.0 percent increase in the General Fund appropriation for districts' total program funding.

The recommended cash funds appropriation from the State Public School Fund is based on projected Fund revenues and expenditures. Finally, the State Education Fund appropriation is adjusted to support the remaining required increase in state funding.

Transfer funding related to full-day kindergarten: The recommendation reflects the transfer of \$7,356,409 for Hold-harmless Full-day Kindergarten Funding from the Grant Programs, Distributions, and Other Assistance section to this section. The recommendation also includes an increase of \$349,089 based on projected enrollment changes.

Declining enrollment study: Consistent with S.B. 09-215, the recommendation includes \$200,000 from the State Education Fund for the Department to contract for a study of districts experiencing declining enrollment.

Annualize salary and benefit adjustments: The recommendation includes funding for salary survey and performance-based pay increases that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Management and Administration section in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year.

Eliminate one-time funding: The recommendation eliminates \$19,675 in one-time funding that was provided for capital outlay through H.B. 08-1388.

Categorical Programs: This subsection includes appropriations for all "categorical programs", which are programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or

¹ This five percent General Fund "maintenance of effort" (MOE) requirement, however, does not apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the previous two calendar years. This MOE does apply in FY 2008-09, and is likely to apply in FY 2009-10 (the initial release of personal income data on March 24, 2009 reflects a 4.9 percent increase in CY 2008).

particular student needs (e.g., transportation). With the passage of Amendment 23 in 2000, this group of programs is now defined in Article IX, Section 17, of the State Constitution.

Categorical Programs Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$383,987,882	\$141,465,474	\$78,425,526	\$98,768	\$163,998,114	73.1
Recommended Changes from FY 2008-09 Appropriation						
Federal funds and transfers from other agencies	97,461,836	0	0	3,044	97,458,792	0.5
Increase state funding by 4.9 percent	10,752,609	0	10,752,609	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$492,202,327	\$141,465,474	\$89,178,135	\$101,812	\$261,456,906	73.6
\$ Change from prior year	\$108,214,445	\$0	\$10,752,609	\$3,044	\$97,458,792	0.5
% Change from prior year	28.2%	0.0%	13.7%	3.1%	59.4%	0.7%

Issue Descriptions

Federal funds and transfers from other agencies: The recommendation reflects anticipated changes in federal funds and reappropriated funds transferred from other agencies, along with the associated FTE. Most significantly, the recommendation reflects \$97,447,565 in additional federal funding that is anticipated to be available to school districts for the provision of special education services for children with disabilities pursuant to the federal American Recovery and Reinvestment Act (ARRA); this amount is based on 12/19 of the amount allocated to Colorado.

Increase state funding by 4.9 percent: As required by Amendment 23, the FY 2009-10 recommendation includes a \$10.7 million (4.9 percent) increase in *state funding* for categorical programs (based on the actual inflation rate for 2008). The full amount of the increase is from the State Education Fund. In addition, the recommendation decreases the appropriation from the Comprehensive Health Education Fund by \$400,000, and increases the State Education Fund appropriation by the same amount. The following table details the recommended allocation of the required \$10.7 million funding increase among categorical programs.

Recommended Increase in State Funding for Categorical Programs for FY 2009-10				
Long Bill Line Item	FY 2008-09 Appropriation of State Funds	Allocation of FY 2009-10 Increases in State Funds		FY 2009-10 Appropriation of State Funds
District Programs Required by Statute:				
Special education - children with disabilities	\$127,362,125	\$0	0.0%	\$127,362,125
English Language Proficiency Program	8,612,057	3,509,143	40.7%	12,121,200
Other Categorical Programs:				
Public school transportation	45,408,842	3,800,796	8.4%	49,209,638
Colorado Vocational Act distributions	21,672,472	1,516,719	7.0%	23,189,191
Special education - gifted and talented children	8,396,099	607,021	7.2%	9,003,120
Expelled and at-risk student services grant program	6,340,676	1,002,884	15.8%	7,343,560
Small attendance center aid	943,333	16,046	1.7%	959,379
Comprehensive health education	705,396	300,000	42.5%	1,005,396
Total	\$219,441,000	\$10,752,609	4.9%	\$230,193,609

Grant Programs, Distributions, and Other Assistance: This subsection includes funding for a variety of education-related grant programs and programs that distribute funds to public schools, other than those programs that are defined as categorical programs.

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$409,642,394	\$3,508,453	\$78,793,588	\$5,549,327	\$321,791,026	112.5
Long Bill supplemental	(1,818,517)	(1,818,517)	0	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$407,823,877	\$1,689,936	\$78,793,588	\$5,549,327	\$321,791,026	112.5
Recommended Changes from FY 2008-09 Appropriation						
Federal nutrition program adjustments	12,491,980	0	0	0	12,491,980	0.0
Public School Capital Construction Assistance	5,934,157	0	5,934,157	0	0	4.0
Anticipated federal revenue adjustments	2,883,831	0	0	0	2,883,831	0.0
Facility Schools	2,016,412	0	1,755,009	261,403	0	3.0
Longitudinal assessments spending authority increase	2,000,000	0	2,000,000	0	0	0.0
Restore summer school grant program	972,895	0	972,895	0	0	0.0
Annualize salary and benefits adjustments	260,563	2,960	0	16,528	241,075	0.0
Read-to-achieve tobacco-revenue	150,492	0	150,492	0	0	0.0

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Transfer funding related to full-day kindergarten to Public School Finance section	(7,356,409)	0	(7,356,409)	0	0	0.0
Annualize prior year funding	(3,587,023)	0	(3,587,350)	327	0	0.4
Suspend family literacy grant program	(270,000)	(200,000)	0	(70,000)	0	0.0
Suspend boards of cooperative services support	(210,000)	(210,000)	0	0	0	0.0
Charter School Capital Construction	(135,000)	0	(135,000)	0	0	0.0
Suspend national teacher credential assistance program	(125,000)	0	(125,000)	0	0	0.0
Refinance school leadership academy program	(2,650)	75,000	(77,650)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$422,848,125	\$1,357,896	\$78,324,732	\$5,757,585	\$337,407,912	119.9
\$ Change from prior year	\$15,024,248	(\$332,040)	(\$468,856)	\$208,258	\$15,616,886	7.4
% Change from prior year	3.7%	(19.6)%	(0.6)%	3.8%	4.9%	6.6%

Issue Descriptions

Long Bill supplemental: The FY 2009-10 Long Bill contains a section that adjusts FY 2008-09 appropriations in order to eliminate funding designed to address mid-year enrollment increases experienced by those districts that are impacted by troop movements.

Federal nutrition program adjustments: The recommendation reflects anticipated increases in federal revenues associated with federal nutrition programs.

Public School Capital Construction Assistance: The recommendation reflects changes associated with implementing H.B. 08-1335, including the following: adding \$10,000,000 in spending authority for lease payments, consistent with the limits specified in Section 22-43.7-110, C.R.S.; eliminating \$4,450,000 in spending authority associated with the financial assistance priority assessment based on work anticipated to be completed in FY 2008-09; and adding \$384,157 and 4.0 FTE consistent with the anticipated costs of the Division of Public School Capital Construction Assistance.

Anticipated federal revenue adjustments: The recommendation reflects anticipated increases in revenues associated with several federal education programs.

Facility Schools: The recommendation reflects the transfer of funding for the Facility Schools Unit and the Facility Schools Board from the Management and Administration section to this section (\$523,568 cash funds and 3.0 FTE). The recommendation also reflects changes associated with implementing H.B. 08-1204 and H.B. 08-1388, including the following: adding \$2,342,513 for facility school per pupil funding based on enrollment projections and increases in average per pupil funding; eliminating \$587,504 in one-time hold harmless funding; eliminating \$262,165 in one-time funding appropriated in HB 08-1204; and shifting \$261,403 from State Education Fund to reappropriated funds (the facility schools staff and board are funded "off-the-top" of facility school per pupil funding beginning in FY 2009-10).

Longitudinal assessments spending authority increase: The recommendation includes an increase in spending authority in order to accommodate anticipated gifts, grants and donations for the purposes of enhancing longitudinal assessments and data system.

Restore summer school grant program: The recommendation includes a restoration of funding for the Summer School Grant Program. Funding for this program was suspended in FY 2008-09.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Management and Administration budget section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Read-to-achieve tobacco-revenue: The recommendation includes an increase of \$150,492 cash funds spending authority to accommodate the expenditure of moneys from fund balance.

Transfer funding related to full-day kindergarten to Public School Finance section: The recommendation reflects the transfer of funding for Hold-harmless Full-day Kindergarten Funding from this section to the Public School Finance section.

Annualize prior year funding: The recommendation includes reductions of \$4,270,988 cash funds spending authority related to the transfer of funds from the Contingency Reserve Fund (S.B. 09-208), \$159,131 cash funds related to the use of fund balance for the Dropout Prevention Activity Grant Program, \$150,000 related to a one-time appropriation for the First Responder School Mapping System (H.B. 08-1267), \$2,305 related to the suspension of the Civic Education Grant Program, and \$2,000 cash funds related to the reduction of membership dues to the Interstate Compact on Educational Opportunity for Military Children. These decreases were offset by increases of \$868,637 cash funds related to the creation of regional service cooperatives (H.B. 08-38), \$99,000 cash funds to restore funding for the Closing the Achievement Gap initiative that was reduced in FY 2008-09, \$14,770 cash funds and 0.4 FTE related to the annualization of a FY 2008-09 change request for Content Specialists, \$14,667 cash funds related to the School Leadership Academy Program (H.B. 08-1386) and \$327 reappropriated funds from the Department of Health Care Policy and Financing for public school health services.

Charter School Capital Construction: The recommendation reduces funding for charter school facilities by \$135,000, consistent with Section 22-54-124 (3) (a) (III) (A), C.R.S.

Suspend family literacy grant program: The recommendation includes the suspension of funding for the Family Literacy Grant Program and reduces the cash funds spending authority available to the Department from the Family Literacy Education Fund to \$130,000, the amount available in the fund.

Suspend boards of cooperative services support: The recommendation includes the suspension of state funding for Boards of Cooperative Services (BOCES).

Suspend national teacher credential assistance program: The recommendation includes the suspension of funding for the National Teacher Credential Assistance Program.

Refinance school leadership academy program: The recommendation includes a refinancing of moneys for the School Leadership Academy Program. The Program originally was funded with a mix of moneys from the

State Education Fund and from gifts, grants and donations. The recommendation includes equal state support from the General Fund (\$75,000) and the State Education Fund (\$75,000).

Library Programs: This section contains appropriations for all library-related programs, with the exception of department staff who administer library programs; funding for these positions is provided through the Management and Administration section. There are approximately 330 publicly-funded libraries in Colorado, including institutional libraries (e.g., nursing homes, correctional institutions, etc.), as well as libraries operated by school districts, higher education institutions, and counties and municipalities.

Library Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$6,880,574	\$3,473,584	\$148,302	\$250,000	\$3,008,688	36.6
Recommended Changes from FY 2008-09 Appropriation						
Increase library programs spending authority	121,698	0	121,698	0	0	0.0
Annualize salary and benefits adjustments	77,056	24,239	0	0	52,817	0.0
Eliminate one-time appropriations	(300,000)	(300,000)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$6,779,328	\$3,197,823	\$270,000	\$250,000	\$3,061,505	36.6
\$ Change from prior year	(\$101,246)	(\$275,761)	\$121,698	\$0	\$52,817	0.0
% Change from prior year	(1.5)%	(7.9)%	82.1%	0.0%	1.8%	0.0%

Issue Descriptions

Increase library programs spending authority: The recommendation includes an increase in cash funds spending authority to accommodate anticipated gifts, grants and donations for the purposes of digitizing reading materials.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Management and Administration budget section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Eliminate one-time appropriations: The recommendation eliminates \$300,000 General Fund in one-time funding that was provided for the purchase of 1,500 digital receivers, used for the broadcast of print formatted reading materials (periodicals, etc.) that is read aloud, that were provided to the blind, visually impaired, and print handicapped citizens of Colorado in order to accommodate the federal mandate requiring the switch from analog to digital broadcasting.

School for the Deaf and the Blind: The Colorado School for the Deaf and the Blind (CSDB) provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2007-08, the School had a total enrollment of 566 children, including 348 infants and toddlers and 218 students (ages 3 to 21) who received services on campus.

School for the Deaf and the Blind	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$13,112,885	\$9,584,806	\$330,000	\$3,198,079	\$0	165.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Outreach services	755,836	0	755,836	0	0	2.6
Annualize salary and benefits adjustments	424,637	424,637	0	0	0	0.0
Utilities increase	60,935	60,935	0	0	0	0.0
Funding source adjustment	0	(96,441)	0	96,441	0	0.0
Centrally-appropriated line items	(14,718)	(14,718)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$14,339,575	\$9,959,219	\$1,085,836	\$3,294,520	\$0	167.6
\$ Change from prior year	\$1,226,690	\$374,413	\$755,836	\$96,441	\$0	2.6
% Change from prior year	9.4%	3.9%	229.0%	3.0%	n/a	1.6%

Issue Descriptions

Outreach services: The recommendation includes an increase of \$755,836 cash funds spending authority and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, communication assessments, counseling support, and short-term and summer enrichment courses to the state's school districts and BOCES it is statutorily charged with serving. Funding will be from cash reimbursements that the CSDB collects from school districts and BOCES.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Management and Administration budget section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Utilities increase: The recommendation includes \$60,935 General Fund for for water and sewer, electricity, and natural gas rate increases.

Funding source adjustment: The recommendation reflects adjustments in the state share of districts' total program funding the School receives for eligible enrolled students.

Centrally-appropriated line items: The recommendation includes a decrease of \$19,294 General Fund for shift differential and an increases of \$4,576 General Fund for vehicle lease payments.

Governor- Lieutenant Governor-State Planning and Budgeting

Department Description: The Department is comprised of the Office of the Governor, the Office of the Lieutenant Governor, the Office of State Planning and Budgeting, Economic Development Programs, and the Office of Information Technology.

Summary Table for Department of Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$135,123,718	\$13,443,436	\$38,499,601	\$50,198,695	\$32,981,986	376.7
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Office of the Governor	(11,062,329)	(1,167,810)	(9,713,190)	(169,901)	(11,428)	(1.0)
Office of Lieutenant Governor	14,299	14,299	0	0	0	0.0
Office of State Planning and Budgeting	65,979	0	0	65,979	0	0.0
Economic Development Programs	(2,817,085)	(50,240)	(2,808,306)	31,040	10,421	0.5
Office of Information Technology	(189,370)	(418,514)	(16,500)	245,644	0	(0.1)
Total FY 2009-10 JBC Recommendation	\$121,135,212	\$11,821,171	\$25,961,605	\$50,371,457	\$32,980,979	376.1
\$ Change from prior year	(\$13,988,506)	(\$1,622,265)	(\$12,537,996)	\$172,762	(\$1,007)	(0.6)
% Change from prior year	(10.4)%	(12.1)%	(32.6)%	0.3%	0.0%	(0.2)%

Recommendation Highlights:

1. Annualizes the statutory transfer of \$4.5 million from the Limited Gaming Fund to the Biosciences Discovery Evaluation Cash Fund in the Economic Development Programs Division at the end of FY 2008-09, which will be available for expenditure in FY 2009-10.
2. Includes a \$1.0 million increase to annualize salary increases and pay for performance awarded in FY 2008-09.
3. Includes an increase of \$549,000 department-wide for adjustments for employee benefits.
4. Increases leased space by \$239,000 in order to consolidate Governor's Office of Information Technology staff into a single location.
5. Decreases the estimated transfer of limited gaming funds to cash funds supporting economic development programs by \$7.9 million. The Joint Budget Committee sponsored legislation which preserved a portion of these transfers, which would have otherwise been eliminated due to insufficient General Fund revenues.
6. Decreases the estimated transfer of limited gaming fund moneys to the Clean Energy Fund by \$7.3 million. The decrease, shown for informational purposes, is due to reduced gaming revenues.
7. Decreases the severance tax transfer to the Colorado Renewable Energy Authority by \$2.0 million. The statutory requirement for this transfer has expired.

8. Eliminates funding for the Solar Incentives program, resulting in a reduction of \$1.0 million General Fund.
9. Eliminates \$478,000 General Fund from one-time appropriations.

Budget Recommendation Detail by Long Bill Division

Office of the Governor: As the chief executive of the State of Colorado, the Governor is responsible for the overall operation of the executive branch. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government.

Office of the Governor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$52,115,282	\$6,239,732	\$10,416,700	\$4,586,019	\$30,872,831	79.4
Recommended Changes from FY 2008-09 by Long Bill Division						
Centrally-appropriated line items	547,750	258,558	(55,726)	346,793	(1,875)	0.0
Consolidate OIT leased space	253,445	0	0	253,445	0	0.0
Annualize salary and benefits adjustments	160,754	143,131	0	4,552	13,071	0.0
Reduce limited gaming transfer to Clean Energy Fund	(7,325,738)	0	(7,325,738)	0	0	0.0
Reduce transfer to Colorado Renewable Energy Authority	(2,000,000)	0	(2,000,000)	0	0	0.0
Eliminate salary survey and performance-based pay	(1,072,880)	(275,687)	(6,107)	(775,072)	(16,014)	0.0
Eliminate funding for Solar Incentives	(1,013,750)	(1,013,750)	0	0	0	0.0
Reduce transfer to School Energy Efficiency Fund	(346,000)	0	(346,000)	0	0	0.0
Annualize prior year funding	(283,650)	(279,150)	(4,500)	0	0	0.0
Other	17,740	(912)	24,881	381	(6,610)	(1.0)
Total FY 2009-10 JBC Recommendation	\$41,052,953	\$5,071,922	\$703,510	\$4,416,118	\$30,861,403	78.4
\$ Change from prior year	(\$11,062,329)	(\$1,167,810)	(\$9,713,190)	(\$169,901)	(\$11,428)	(1.0)
% Change from prior year	(21.2)%	(18.7)%	(93.2)%	(3.7)%	0.0%	(1.3)%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, short-term disability, state contributions to the Public Employees' Retirement Association (PERA) pension fund, shift differential, workers' compensation, legal services, purchase of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, leased space, capitol complex leased space, and vehicle leases.

Consolidate OIT leased space: The recommendation includes an adjustment to the leased space and Capitol Complex leased space amounts to support the consolidation of staff in the Governor's Office of Information Technology into a single location. Space at multiple locations previously occupied by the staff has been occupied by other state agencies.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the same year of the award and are incorporated into base funding for each division in the subsequent year.

Reduce limited gaming transfer to Clean Energy Fund: The recommendation reflects a decrease in the appropriation shown for Clean Energy. This line item has been used to show the statutory transfer that occurs each year from the Limited Gaming Fund. Under the most recent Legislative Council Staff revenue forecast, no transfer will occur.

Reduce transfer to Colorado Renewable Energy Authority: The recommendation includes elimination of the statutory transfer from the Operational Account of the Severance Tax Trust Fund. Statute called for transfers at the end of each of FY 2006-07, FY 2007-08, and FY 2008-09, but not for subsequent years.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Eliminate funding for Solar Incentives: The recommendation eliminates funding for the Solar Incentives program in the Governor's Energy Office.

Reduce transfer to School Energy Efficiency Fund: The recommendation includes a decrease in the statutory transfer from the Severance Tax Trust Fund to the School Energy Efficiency Fund. The decrease reflects the Legislative Council Staff estimate of the amount that will be available for the transfer.

Annualize prior year funding: The recommendation includes elimination of several one-time appropriations from the prior year.

Other: The recommendation includes minor adjustments to the prior year appropriation.

Office of the Lieutenant Governor: Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs and handles additional responsibilities assigned by the Governor.

Office of the Lieutenant Governor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$411,557	\$332,519	\$1,500	\$77,538	\$0	6.0
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Annualized salary and benefits adjustments	14,784	14,784	0	0	0	0.0
Other	(485)	(485)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$425,856	\$346,818	\$1,500	\$77,538	\$0	6.0
\$ Change from prior year	\$14,299	\$14,299	\$0	\$0	\$0	0.0
% Change from prior year	3.5%	4.3%	0.0%	0.0%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09.

Other: The recommendation includes minor adjustments to the prior year appropriation.

Office of State Planning and Budgeting: The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the State.

Office of State Planning and Budgeting	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,441,300	\$0	\$0	\$1,441,300	\$0	19.5
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Annualized salary and benefits adjustments	66,074	0	0	66,074	0	0.0
Other	(95)	0	0	(95)	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,507,279	\$0	\$0	\$1,507,279	\$0	19.5
\$ Change from prior year	\$65,979	\$0	\$0	\$65,979	\$0	0.0
% Change from prior year	4.6%	n/a	n/a	4.6%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09.

Other: The recommendation includes minor adjustments to the prior year appropriation.

Economic Development Programs: The Office of Economic Development was formed in 1988 to centralize and coordinate the State's business assistance, retention, expansion, and recruitment programs. Other activities include international trade assistance and Colorado tourism promotion.

Economic Development Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$34,678,366	\$6,452,671	\$26,141,439	\$96,101	\$1,988,155	44.5
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Annualize HB 08-1001 Limited Gaming Fund transfer	4,500,000	0	4,500,000	0	0	0.0
Annualize salary and benefits adjustments	137,108	100,271	2,472	32,182	2,183	0.0
Annualize prior year funding	57,473	48,072	(253)	0	9,654	0.1
Indirect cost assessment adjustment	23,868	0	26,426	(1,142)	(1,416)	0.0
International Trade Office FTE	15,336	15,336	0	0	0	0.4
Refinance Colorado Welcome Centers	0	(213,919)	213,919	0	0	0.0
Reduce other Limited Gaming Fund transfers	(7,550,870)	0	(7,550,870)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$31,861,281	\$6,402,431	\$23,333,133	\$127,141	\$1,998,576	45.0
\$ Change from prior year	(\$2,817,085)	(\$50,240)	(\$2,808,306)	\$31,040	\$10,421	0.5
% Change from prior year	(8.1)%	(0.8)%	(10.7)%	32.3%	0.5%	1.1%

Issue Descriptions

Annualize HB 08-1001 Limited Gaming Fund transfer: The recommendation includes an informational appropriation showing the statutory transfer of \$4,500,000 from the Limited Gaming Fund to the Biosciences Discovery Evaluation Cash Fund which will occur at the end of FY 2008-09, and be available for expenditure in FY 2009-10.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09.

Annualize prior year funding: The recommendation annualizes funding decisions made in prior years.

Indirect cost assessment adjustment: The recommendation adjusts the statewide indirect cost assessment for this division.

International Trade Office FTE: The recommendation includes an increase of 0.1 FTE to convert a part-time employee to full time due to an increased number of requests for information and assistance from both overseas firms and Colorado businesses.

Refinance Colorado Welcome Centers. The recommendation includes refinancing the Colorado Welcome Centers with cash funds from the Travel and Tourism Promotion Fund.

Reduce other Limited Gaming Fund transfers: The recommendation reflects reduced transfers from the Limited Gaming Fund to four economic development funds: the Travel and Tourism Promotion Fund, the New Jobs Incentives Fund, the Council on the Arts Fund, and the Film Incentives Fund.

Office of Information Technology: The Office of Information Technology (OIT) was created in 1999. OIT's responsibilities were significantly increased by S.B. 08-155, which authorized the consolidation of executive branch IT activities into a single Office. On July 1, 2008, the chief information officers of the individual departments were transferred to OIT, as was the bulk of the Department of Personnel and Administration's Division of Information Technology. With very small cash funds and federal funds exceptions, OIT is now funded on a "fee for service" basis with reappropriated funds from agencies that make use of the Office's services.

Office of Information Technology	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$46,477,213	\$418,514	\$1,939,962	\$43,997,737	\$121,000	227.3
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Annualize salary and benefits adjustments	626,425	45,733	0	580,692	0	0.0
Annualize FY 2008-09 hiring freeze	239,046	0	0	239,046	0	0.0
Annualize prior year funding	(560,952)	(350,000)	(16,500)	(194,452)	0	(0.1)
Indirect Cost Assessment Adjustment	(425,382)	0	0	(425,382)	0	0.0
Finish converting to fee-for-service	(68,514)	(114,247)	0	45,733	0	0.0
Other	7	0	0	7	0	0.0
Total FY 2009-10 JBC Recommendation	\$46,287,843	\$0	\$1,923,462	\$44,243,381	\$121,000	227.2
\$ Change from prior year	(\$189,370)	(\$418,514)	(\$16,500)	\$245,644	\$0	(0.1)
% Change from prior year	(0.4)%	(100.0)%	(0.9)%	0.6%	0.0%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation includes funding adjustments required by prior year bills and decision items, including: a reduction of \$350,000 for the FY 2008-09 Cyber Security decision item; a reduction of \$165,000 associated with S.B. 07-228 (Vendor Perform State Contracts); a reduction of \$29,452 associated with S.B. 08-155 (Centralize IT Management in OIT); and a reduction of \$16,500 associated with S.B. 08-215 (OIT Broadband Telecom Map).

Indirect Cost Assessment Adjustment: The recommendation includes an adjustment in the statewide indirect cost assessment for the Division.

Finish converting to fee-for-service: The recommendation includes an adjustment to complete the conversion to a fee-for-service model, paid by state agencies that make use of the Division's services. This adjustment eliminates the direct use of General Fund by the Division.

Other: The recommendation includes minor adjustments to the prior year appropriation.

Department of Health Care Policy and Financing

Department Description: The Department of Health Care Policy and Financing provides health care services to approximately 731,000 Colorado residents through four major health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); (3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pensioner Medical program. In addition to these programs, the Department also administers the Primary Care Fund program and the Comprehensive Primary and Preventive Care Grant program to increase access to health care services for medically under-served populations or areas. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately \$2.0 billion in federal matching funds for these programs. The Department also transfers approximately 12.0 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding, the majority of which goes to the Department of Human Services.

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,871,265,384	\$1,580,738,458	\$373,134,219	\$24,948,578	\$1,892,444,129	269.2
Long Bill Supplemental	13,307,875	(3,582,082)	9,362,639	(29,199)	7,556,517	0.0
S.B. 09-261 Old Age Pension Supplemental Fund	0	(3,000,000)	3,000,000	0	0	0
S.B. 09-263 Medicaid Nursing Facility Payments	0	(3,711,959)	3,711,959	0	0	0
S.B. 09-264 Maximize Federal Match	<u>(2,148,113)</u>	<u>(2,149,250)</u>	<u>(51,292)</u>	<u>(2,149,250)</u>	<u>2,201,679</u>	<u>0</u>
FY 2008-09 Adjusted Appropriation	\$3,882,425,146	\$1,568,295,167	\$389,157,525	\$22,770,129	\$1,902,202,325	269.2
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	6,324,973	1,965,690	183,950	34,606	4,140,727	5.8
Medical Services Premiums	146,271,286	59,576,119	11,549,843	115,261	75,030,063	0.0
Medicaid Mental Health Community Programs	15,285,164	5,954,757	1,685,519	670	7,644,218	0.0
Indigent Care Program	35,306,891	4,658,250	8,686,627	4,658,250	17,303,764	0.0
Other Medical Services	14,471,654	14,602,700	56,768	45,000	(232,814)	0.0
Department of Human Services Medicaid-Funded Programs	21,339,367	11,398,423	(2,085,085)	1,111,555	10,914,474	0.0
Total FY 2009-10 Long Bill Recommendation	\$4,121,424,481	\$1,666,451,106	\$409,235,147	\$28,735,471	\$2,017,002,757	275.0
S.B. 09-265 Medicaid CHP+ Payment Timing	(87,965,506)	(35,605,549)	(6,683,944)	0	(45,676,013)	0.0
S.B. 09-263 Medicaid Nursing Facility Payments	(34,277,202)	(17,140,089)	1,488	0	(17,138,601)	0.0
S.B. 09-264 Maximize Federal Match (appropriation impact only)	(4,201,653)	(3,160,000)	(4,159,407)	(103,000)	3,220,754	0.0
S.B. 09-269 Adjust Tobacco Settlement Moneys Allocation	(104,536)	0	(104,536)	0	0	0.0
S.B. 09-271 Emergency Use Tobacco Tax Revenues	0	(20,000,000)	20,000,000	0	0	0.0

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
S.B. 09-261 Old Age Pension Supplemental Fund	0	(6,000,000)	6,000,000	0	0	0.0
S.B. 09-262 Breast and Cervical Cancer Program Costs	0	(896,290)	896,290	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,994,875,584	\$1,583,649,178	\$425,185,038	\$28,632,471	\$1,957,408,897	275.0
\$ Change from prior year	\$112,450,438	\$15,354,011	\$36,027,513	\$5,862,342	\$55,206,572	5.8
% Change from prior year	2.9%	1.0%	9.3%	25.7%	2.9%	2.2%

¹ This amount includes General Fund Exempt that is describe in the Divisions that follow.

Recommendation Highlights:

Changes to FY 2008-09 Appropriations

The FY 2009-10 Long Bill contains sections that adjust the FY 2008-09 appropriations by \$13.3 million total funds (this includes a \$3.6 million General Fund reduction). The supplemental adjustments include the following:

1. An increase of \$17.3 million total funds for the Medicaid medical and mental health programs. Of this amount \$31.0 million (no General Fund impact) reflects higher costs estimates for the nursing facility provider fee impacts pursuant to H.B. 08-1114. This increase is offset by a decrease of \$15.3 million total funds (\$5.4 million General Fund decrease) related to changes in the Medicaid caseload and cost forecasts. These changes are based on current actual expenditure data through February 2009.
2. An increase of \$3.1 million total funds (\$1.7 million General Fund) to the Executive Director's Office. Of this amount, \$3.3 million total funds is for an increase for county administration due to Medicaid caseload growth. This increase is offset by a reduction of \$221,597 total funds (an increase of \$27,764 General Fund and a reduction of \$249,361 federal funds) to adjust appropriations for the fraud detection software project.
3. An increase of \$2.3 million total funds (\$1.2 million General Fund) for programs administered by the Department of Human Services.
4. An increase of \$239,654 total funds (no General Fund impact) for the Indigent Care division. Of this amount, \$8.2 million total funds is for an increase to the Indigent Care Program based on additional federal funds available from the American Recovery and Reinvestment Act (ARRA). This increase is offset by a total fund decrease of \$7.9 million to the Children's Basic Health Plan program based on current caseload and cost forecasts.
5. A decrease of \$8.3 million total funds for the Other Medical Services division. Of this amount, \$1.1 million is a General Fund decrease based on new cost and caseload estimates for the Medicare Modernization Act State Contribution Payment. Another \$7.2 million total funds (no General Fund impact) reduction is for the Public School Health Services program to realign the appropriation to actual expenditures.

Recommendations for FY 2009-10

Major Long Bill changes for FY 2009-10 include the following:

1. An increase of \$192.8 million total funds (\$74.6 million General Fund) for the forecasted caseload growth and costs for the Medicaid program. Of this amount, \$177.7 million is the increase for medical services and \$15.1 million is for mental health services.
2. An increase of \$27.3 million total funds (\$2.5 million General Fund) for the forecasted caseload growth and costs for the Children's Basic Health Plan.
3. An increase of \$21.3 million total funds (\$11.4 million General Fund) for Medicaid funding for programs administered by the Department of Human Services.
4. An increase of \$14.6 million General Fund for the Medicare Modernization Act State Contribution Payment (Part D "clawback"). Of this amount, \$7.3 million is to restore one-time savings in FY 2008-09 from delaying the May 2009 payment until July 2009 and \$7.3 million is for increased caseload and costs for prescription drugs.
5. An increase of \$6.3 million total funds (no General Fund impact) to appropriate additional Disproportionate Share Payments (DSH) to hospitals from funds made available through the American Recovery and Reinvestment Act (ARRA).
6. A decrease of \$32.0 million total funds (\$16.0 million General Fund) for various reductions to the Medicaid program, such as decreased provider rates and utilization, savings from enhancing Medicaid efficiencies and estate recoveries, changes to prescription drug reimbursement and prior authorization processes, and increasing enrollment in the health insurance buy-in and community transition programs.

JBC Budget Package Legislation:

S.B. 09-265 Medicaid CHP+ Payment Timing: This bill has three main provisions: (1) clarifies that the Medicare Modernization Act State Contribution Payment does not have to be paid before the date it is due; (2) provides that managed care capitation payments shall not be made before the first day of the month following the enrollment of the recipients; and (3) allows the Department to delay the last weekly payment cycles in FY 2009-10 to after July 1, 2010. This bill is anticipated to reduce expenditures in FY 2009-10 by \$87.3 million total funds (including \$35.6 million General Fund).

S.B. 09-263 Medicaid Nursing Facility Payments: This bill saves approximately \$3.7 million General Fund in FY 2008-09 and \$17.1 million General Fund in FY 2009-10 through various changes used to calculate nursing facility rates. Specifically, the bill contains the following provisions:

- a) Specifies the methodology used to calculate the nursing facility General Fund per diem cap (including the 3.0 percent cap currently in place for FY 2008-09) during the American Recovery and Reinvestment Act (ARRA) time period.

- b) Reduces the General Fund cap to 0.0 percent growth in FY 2009-10 and allows a 5.0 percent growth cap for FY 2010-11. Reinstates the current 3.0 percent cap on General Fund growth for the fiscal years after FY 2010-11.
- c) Caps the provider fee to \$7.50 per nonmedicare-resident day in FY 2009-10. This cap is allowed to grow by inflation in future years.
- d) For FY 2009-10 and subsequent fiscal years, provides that the increase in the cost of direct and indirect health care services and raw food shall not exceed 8.0 percent. This provision reduces the provider fee in FY 2009-10 to ensure the provider fee stays below the \$7.50.
- e) Allows the Department to suspend or reduce any supplemental payments for quality incentives, severe mental disorders, and other payments financed through the provider fee to ensure that the provider fee stays below the \$7.50 cap.

S.B. 09-264 Maximize Federal Match: This bill increases the amount of State funding available through the American Recovery and Reinvestment Act (ARRA) by allowing the State to retain any federal match for Medicaid or Title IV-E programs above the normal 50.0 percent match. The providers impacted by this bill will receive the same amount of funding as they would have received prior to or after ARRA. The bill is anticipated to enhance General Fund revenue or offsets by \$21.6 million in FY 2008-09 and \$36.9 million in FY 2009-10. The summary table reflects only the expenditure impacts from this bill. Revenue impacts are shown in the summary tables at the beginning of the Long Bill Narrative.

S.B. 09-269 Adjust Tobacco Settlement Moneys Allocation: This bill reduces the General Fund appropriation to the Children's Basic Health Plan Trust Fund by \$2.5 million due to an additional transfer of \$3.5 million from the Master Tobacco Settlement Fund. The bill also makes other changes to programs funded by the Master Tobacco Settlement Fund. See the Department of Public Health and Environment section for more detail.

S.B. 09-261 Old Age Pension Supplemental Fund Medicaid: This bill allows up to \$3.0 million dollars in FY 2008-09 and \$6.0 million dollars in FY 2009-10 from the Supplemental Old Age Pension Health and Medical Care Fund to be used to offset General Fund costs for person 65 years of age and older served in the Medicaid program.

S.B. 09-262 Breast and Cervical Cancer Programs Costs: This bill provides that for FY 2009-10 through FY 2011-12, the Breast and Cervical Cancer Prevention and Treatment Fund shall pay for 100.0 percent of the State match costs for the Breast and Cervical Cancer Prevention and Treatment Program.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division contains the majority of administrative funding for the Department. Specifically, this division's funding supports the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations and customer services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$99,889,703	\$33,343,902	\$7,328,929	\$1,790,768	\$57,426,104	269.2
Long Bill Supplemental	<u>3,123,251</u>	<u>1,698,688</u>	<u>0</u>	<u>0</u>	<u>1,424,563</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$103,012,954	\$35,042,590	\$7,328,929	\$1,790,768	\$58,850,667	269.2
Recommended Changes from FY 2008-09 Appropriation						
Medicaid value-based care coordination initiative	1,646,648	532,475	0	0	1,114,173	1.0
Information technology contract enhancements and projects	1,581,680	325,774	8,779	0	1,247,127	0.9
Colorado Benefits Management System realignment project	1,434,100	686,267	0	0	747,833	0.0
Pharmacy efficiencies initiative	991,380	304,095	0	0	687,285	0.0
Medicaid program efficiencies	634,927	317,463	0	0	317,464	0.9
Eligibility determinations	575,564	292,805	0	0	282,759	0.0
System changes to enact provider rate and utilization reductions	504,000	126,000	0	0	378,000	0.0
Auditing changes	363,566	64,933	0	0	298,633	0.0
Employee benefit changes	192,306	46,512	23,245	55,733	66,816	0.0
Benefit and indirect costs from other State departments	155,490	172,809	500	0	(17,819)	0.0
Improved eligibility and enrollment processing	100,000	47,854	0	0	52,146	0.0
Centrally-appropriated line items	54,699	26,946	284	159	27,310	0.0
Eliminate one-time expenditures and annualize prior year budget actions	(1,909,387)	(978,243)	151,142	(21,286)	(1,061,000)	3.0
Total FY 2009-10 JBC Long Bill Recommendation	\$109,337,927	\$37,008,280	\$7,512,879	\$1,825,374	\$62,991,394	275.0
\$ Change from prior year	\$6,324,973	\$1,965,690	\$183,950	\$34,606	\$4,140,727	5.8
% Change from prior year	6.1%	5.6%	2.5%	1.9%	7.0%	2.2%

Issue Descriptions

Long Bill Supplemental: The recommendation includes the following FY 2008-09 increases: (1) \$3.3 million total funds (including \$1.7 million General Fund) for increased costs at the counties for Medicaid eligibility determinations; (2) \$27,764 General Fund to adjust the Medicaid fraud software appropriation based on new cost information; and (3) \$9,000 total funds (including \$3,000 General Fund) for sunset reviews performed by the Department of Regulatory Agencies. These increases are offset by a decrease in federal funds of \$249,361 based on new cost estimates for the Medicaid fraud software.

Medicaid value-based care coordination initiative: The recommendation includes an increase of \$1.6 million and 1.0 FTE to fund the administrative costs associated with implementing a coordinated health care delivery system for Medicaid clients by April 2010. Under this health care delivery model, 60,000 Medicaid clients would be enrolled with Administrative Services Organizations (ASOs). The ASOs would be responsible

for ensuring that Medicaid clients have a medical home where primary and preventative care treatment and care coordination is provided. This managed care model is anticipated to reduce costs for the Medical Services Premiums line item beginning in FY 2010-11.

Information technology contract enhancements and projects: The recommendation includes an increase of \$1.6 million total funds and 0.9 FTE for four information technology projects including: (1) \$546,020 total funds for system development costs to implement new rules issued by the Centers for Medicare and Medicaid Services (CMS) related to the Health Insurance Portability and Accounting Act (HIPAA); (2) \$395,029 total funds and 0.9 FTE to fund additional support for the Medicaid Management Information System (MMIS) in order to reduce the backlog of customer service requests for system enhancements to increase efficiencies or to implement new rule or law changes; (3) \$350,514 for enhanced service and costs associated with rebidding the Web Portal contract that allows providers to send electronic transactions to the Department; and (4) \$290,117 total funds to fund the contractual inflationary increases in the Department's fixed price contract for the MMIS.

Colorado Benefits Management System realignment project: The recommendation includes an increase of \$1.4 million total funds to continue the second-year costs of a three-year project to develop a new user interface and web based application process for the Colorado Benefits Management System.

Pharmacy efficiencies initiative: The recommendation includes an increase of approximately \$1.0 million for the administrative costs associated with an automated prior authorization process for pharmacy benefits and for developing a state maximum allowable cost pricing for prescription drugs. These administrative costs are totally offset in FY 2009-10 by cost savings in the Medical Services Premiums line item. Cost savings from these initiatives are anticipated to increase in FY 2010-11 once the programs are fully annualized.

Medicaid program efficiencies: The recommendation includes an increase of \$634,927 total funds and 0.9 FTE for the administrative costs associated with implementing six new initiatives to reduce Medicaid costs: (1) Medicaid Benefit Package Reform, (2) Health Outcomes Measurement Initiative, (3) Fluoride Varnish Benefit, (4) Hospital Back-Up Program Enhancements, (5) Oxygen Durable Medical Equipment Reform, and (6) Serious Reportable Events Initiatives. These administrative costs are offset by cost savings of \$1.8 million in Medical Services Premiums. Additional costs savings are anticipated in future years once these initiatives are annualized or implemented.

Eligibility determinations: The recommendation includes an increase of \$575,564 total funds for county administration in order to fund the increased workload anticipated due to increasing Medicaid caseloads in FY 2009-10.

System changes to enact provider rate and utilization reductions: The recommendation includes an increase of \$504,000 total funds for the system changes needed to implement provider rate reductions and other saving initiatives for the Medicaid Program. These costs are offset by cost savings of \$27.1 million in the Medical Services Premiums line item.

Auditing changes: The recommendation includes an increase of \$233,700 federal funds to perform audits of the Medicaid School Health Services Program to ensure proper billing and compliance with federal rules. The recommendation also includes an increase of \$129,866 total funds for the Department's audit contract for hospitals and Federally Qualified Health Clinics.

Employee benefit changes: The recommendation includes an increase of \$192,306 for employee benefit changes. Specifically, the recommendation includes the following total fund increases: (1) \$125,451 for health, life and dental benefits; and (2) \$112,790 for amortization of equalization disbursements for PERA and short-term disability. These increases are offset by a decrease of \$45,935 to eliminate the non-base building components of the performance-based pay provided in FY 2008-09. Please note that the recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Benefit and indirect costs from other State departments: The recommendation includes an increase of \$575,564 total funds for administrative costs increases to Medicaid programs administered by other state departments. This funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to the impacted departments.

Improved eligibility and enrollment processing: The recommendation includes an increase of \$100,000 total funds to perform a study regarding how the Department of Human Services and counties would be impacted by a plan to centralize most medical eligibility with a contract vendor.

Centrally-appropriated line items: The recommendation includes an increase of \$54,699 total funds for adjustments to centrally-appropriated line items for workers' compensation, legal services, administrative law judge services, management and administration of the Office of Information Technology, payments to risk management and property funds, and capitol complex leased space.

Eliminate one-time expenditures and annualize prior year budget actions: The recommendation includes a total decrease of \$1,909,387 total funds to eliminate one-time costs associated with budget actions or legislation enacted in FY 2008-09. Included within this recommendation is an increase of 3.3 FTE positions to annualize partially funded FTE in FY 2008-09.

Medical Services Premiums: This division provides the health care funding for an estimated 469,137 Medicaid clients in FY 2009-10. Clients are determined eligible based on 11 different eligibility categories. Medical services provided include acute care services (*i.e.* physician visits, prescription drugs, hospitalization) and long-term care services (*i.e.* nursing home care and community-based services).

Medical Services Premiums	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,479,840,307	\$1,136,327,250	\$100,747,936	\$2,661,475	\$1,240,103,646	0.0
Long Bill Supplemental	16,529,402	(6,919,244)	13,532,241	(30,407)	9,946,812	0.0
S.B. 09-261: Old Age Pension Supplemental Fund Medicaid	0	(3,000,000)	3,000,000	0	0	0.0
S.B. 09-263: Nursing Facility Provider Rates	<u>0</u>	<u>(3,711,959)</u>	<u>3,711,959</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$2,496,369,709	\$1,122,696,047	\$120,992,136	\$2,631,068	\$1,250,050,458	0.0

Medical Services Premiums	Total Funds	General Fund ^{/1}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Recommended Changes from FY 2008-09 Appropriation						
Caseload and cost increase	177,688,576	68,651,873	18,182,733	115,261	90,738,709	0.0
Coordinated care for people with disabilities pilot program	500,000	0	250,000	0	250,000	0.0
Medicaid value-based care coordination initiative	103,056	42,574	8,954	0	51,528	0.0
Eliminate one-time savings from budget balancing legislation	0	6,711,959	(6,711,959)	0	0	0.0
Provider rate and utilization reductions	(27,086,444)	(13,363,337)	(179,885)	0	(13,543,222)	0.0
Medicaid program efficiencies	(1,795,904)	(897,952)	0	0	(897,952)	0.0
Enhance estate recovery	(1,116,721)	(558,360)	0	0	(558,361)	0.0
Pharmacy efficiencies initiative	(1,022,887)	(511,443)	0	0	(511,444)	0.0
Increase health insurance buy-in program	(625,000)	(312,500)	0	0	(312,500)	0.0
Community transitions	(373,390)	(186,695)	0	0	(186,695)	0.0
Total FY 2009-10 JBC Long Bill Recommendation	\$2,642,640,995	\$1,182,272,166	\$132,541,979	\$2,746,329	\$1,325,080,521	0.0
\$ Change from prior year	\$146,271,286	\$59,576,119	\$11,549,843	\$115,261	\$75,030,063	0.0
% Change from prior year	5.9%	5.3%	9.5%	4.4%	6.0%	n/a

^{/1} This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$1,136,327,250	\$767,327,250	\$369,000,000
Long Bill supplemental & budget balancing legislation	<u>(13,631,203)</u>	<u>316,117,005</u>	<u>(329,748,208)</u>
FY 2008-09 Adjusted Appropriation	1,122,696,047	1,083,444,255	39,251,792
Medical Services Premiums	<u>59,576,119</u>	<u>98,827,911</u>	<u>(39,251,792)</u>
Total FY 2009-10 Long Bill Recommendation	\$1,182,272,166	\$1,182,272,166	\$0

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), Colorado Revised Statutes.

Issue Descriptions

FY 2008-09 Discussion

Long Bill Supplemental: The FY 2009-10 Long Bill contains a section that adjusts the FY 2008-09 appropriation based on new caseload and cost information. The adjustment is based on actual Medicaid caseload and expenditure data through February 2009. The March forecast was slightly lower than the January forecast once more actual data was included. A complete description of the Medicaid caseload and costs are contained in the FY 2009-10 discussion.

Budget balancing bills are discussed in the summary section.

FY 2009-10 Discussion

Caseload and cost increase: The FY 2009-10 recommendation supports medical services for an estimated 469,137 Medicaid clients. The FY 2009-10 caseload forecast reflects an increase of 35,833 clients (8.3 percent) from the final recommended FY 2008-09 caseload forecast. The majority of the caseload increase is anticipated in the low-income categorical eligible adults and children. Table 1 shows the projected caseload growth from the final estimate for FY 2008-09 to FY 2009-10.

Table 1: FY 2009-10 Medicaid Caseload Forecast				
Eligibility Category	FY 2008-09	FY 2009-10	# Change	%
<i>Elderly Caseloads</i>				
SSI 65+	37,578	38,332	754	2.0%
SSI 60-64	6,393	6,544	151	2.4%
Partially Dual Eligible	15,147	16,016	869	5.7%
<i>Disabled Caseload</i>				
SSI Disabled	51,298	52,629	1,331	2.6%
<i>Low-Income Adults</i>				
Categorical Eligible Adults	48,693	54,116	5,423	11.1%
Baby Care Adults	6,986	6,750	(236)	-3.4%
Expansion Adults	12,484	14,430	1,946	15.6%
Breast and Cervical Cancer Adults	301	321	20	6.6%
<i>Children</i>				
Categorical Eligible Children	232,414	257,356	24,942	10.7%
Foster Children	18,010	18,686	676	3.8%
<i>Other</i>				
Non-Citizens	4,000	3,957	(43)	-1.1%
Total Caseload Forecast	433,304	469,137	35,833	8.3%

After the caseload forecast is established, then the base service costs are calculated. The base service costs are the amount of funding needed for the Medicaid program under current law before any policy issues are added. The base service costs are a function of both the caseload forecast as well as the forecast for the cost of medical

services based on prior year utilization patterns and rates. The base service costs include the following major groupings of medical services: (1) the cost of acute, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various services. Table 2 compares the FY 2008-09 estimated costs (including the FY 2008-09 Long Bill supplemental) with the FY 2009-10 base service cost recommendation for each service category.

Table 2: FY 2009-10 Medical Services Costs				
Service Category	FY 2008-09	FY 2009-10 ¹	\$ Change	%
Acute Care Services	\$1,457,586,478	\$1,574,440,558	\$116,854,080	8.0%
Community Long-Term Care Services	276,647,133	293,313,560	16,666,427	6.0%
Long-Term Care and Insurance	701,391,277	744,505,757	43,114,480	6.1%
Medical Administrative Costs	31,315,630	35,635,941	4,320,311	13.8%
Bottom Line Financing	29,429,191	26,162,469	(3,266,722)	-11.1%
Total Service Costs	\$2,496,369,709	\$2,674,058,285	\$177,688,576	7.1%

¹/1 FY 2009-10 does not include any policy changes to reduce costs. Those items are discussed as separate issues.

Table 3 provides the estimate for how much of the base FY 2009-10 Medicaid cost is the result of caseload increases and how much is the result of service cost changes.

Table 3: Analysis of Cost Drivers for FY 2009-10 <u>BASE</u> Increase						
Aid Category	Caseload Change	<u>Net</u> Cost Per Client Change	Cost Associated with Higher Caseload Estimate	Cost Associated with Change to Per Client Cost	Compounding Effect	Total Costs
SSI 65+	754	\$786.77	\$15,806,991	\$29,565,087	\$593,225	\$45,965,303
SSI 60-64	151	\$651.16	\$2,644,389	\$4,162,851	\$98,325	\$6,905,565
SSI Disabled	1,331	\$397.44	\$18,714,399	\$20,387,769	\$528,993	\$39,631,161
Low-Income Adults	5,423	(\$397.51)	\$23,362,912	(\$19,356,074)	(\$2,155,697)	\$1,851,141
Expansion Low-Income Adults	1,946	\$1,091.83	\$3,311,671	\$13,630,367	\$2,124,701	\$19,066,739
Baby Care Adults	(236)	\$513.19	(\$2,031,642)	\$3,585,157	(\$121,113)	\$1,432,402
Children	24,942	\$43.42	\$43,385,315	\$10,090,753	\$1,082,982	\$54,559,050
Foster Children	676	\$318.51	\$2,485,651	\$5,736,443	\$215,313	\$8,437,407
B&C Cancer Treatment Patients	20	\$586.22	\$434,234	\$176,451	\$11,724	\$622,409
Partial Dual Eligibles	869	\$86.30	\$1,056,103	\$1,307,142	\$74,995	\$2,438,240
Non-citizens (emergency care)	(43)	\$172.78	(\$637,714)	\$691,123	(\$7,528)	\$45,881
Total	35,833	n/a	\$108,532,309	\$69,977,069	\$2,445,920	\$180,955,298
Change in Bottom of the Line Financing & Federal Disallowance						(\$3,266,722)
Total FY 2009-10 MSP Staff Recommended Base Increase over FINAL FY 2008-09 Appropriation						\$177,688,576

Lastly, after determining the caseload and estimated medical costs, the funding sources for the Medical Services Premiums base are calculated. Certain populations are eligible to receive funding from different funding sources (*i.e.* some adults and children on Medicaid can be funded from the Health Care Expansion Fund, etc.). Table 4 shows the funding sources for the Medical Services Premiums line item for FY 2008-09 compared to FY 2009-10 (before policy changes).

Table 4: Fund Splits for FY 2009-10 JBC Medical Services Premiums Recommendation			
Fund	JBC FY 2008-09 Recommendation	JBC FY 2009-10 Base Recommendation	Difference
General Fund & General Fund Exempt	\$1,129,408,006	\$1,198,059,879	\$68,651,873
CF - Certified Funds	21,762,046	22,107,094	345,048
CF - Health Care Expansion Fund	68,638,137	86,277,996	17,639,859
CF - Nursing Facility Cash Fund	21,437,616	22,418,342	980,726
CF - Breast and Cervical Cancer Fund	1,657,503	874,603	(782,900)
CF - Autism Fund	784,875	784,875	0
RF - Transfer from DPHE	2,631,068	2,746,329	115,261
<u>Federal Funds</u>	<u>\$1,250,050,458</u>	<u>\$1,340,789,167</u>	<u>\$90,738,709</u>
TOTAL FUNDS	\$2,496,369,709	\$2,674,058,285	\$177,688,576

* FY 2009-10 reflects only the Long Bill estimates for the base calculations before policy changes. These amounts do not include impacts from legislation that will be introduced with the Joint Budget Committee Budget Balancing Package.

FY 2009-10 -- Policy Changes

Coordinated care for people with disabilities pilot program: The recommendation includes an increase of \$500,000 for the costs associated with implementing the coordinated care for people with disabilities pilot program that was authorized in S.B. 06-128.

Medicaid value-based care coordination initiative: The recommendation contains an increase of \$103,056 total funds to pay a \$20.00 per month per client cost for clients enrolling in a pilot Administrative Service Organization (ASO) program beginning in April 2010. The ASO will be responsible for coordinating the care of their assigned clients, including providing a primary care physician. The pilot program is an attempt to reduce Medicaid costs related to: duplicated outpatient services, pharmacy utilization, and emergency room utilization for conditions that can be treated in an outpatient setting. Savings from the pilot program are anticipated to begin in FY 2010-11 once the pilot program is fully operational.

Eliminate one-time savings from budget balancing legislation: The recommendation eliminates one-time savings associated with budget balancing legislation for FY 2008-09. The full impact of this legislation is shown in the summary table for this Department.

Provider rate and utilization reductions: The recommendation includes a reduction of \$27.1 million (including \$13.4 million General Fund) for provider rate and utilization reductions. Table 5 describes the reductions associated with this issue.

Table 5: FY 2009-10 Provider Rate and Utilization Reductions

Issue	Total Fund Amount	Description
Enroll eligible veterans into the Veterans Administration Health System	(\$10,826,952)	The recommendation assumes 4,800 Medicaid clients are eligible to receive some or all of their health benefits through the Veterans's Administration.
Provider rate reductions	(5,918,487)	The recommendation provides a 1.5 percent rate reduction beginning April 2010 for the following provider classes: physicians, emergency transportation, non-emergency transportation, dental services, inpatient hospitals, outpatient hospital services, lab and x-ray services, durable medical equipment, home health, private duty nursing, hospice and single entry points.
Reduce physician rates to Medicare Upper Payment Limit	(5,432,902)	In addition to the rate reductions above, the recommendation includes a \$5.4 million reduction to reduce any physician codes that are currently above the Medicare reimbursement rate.
Pharmacy reductions	(2,985,721)	The recommendation reduces pharmacy rates to Average Whole Sale Price (AWP) minus 14.5 percent for brand names and AWP minus 45.0 percent for generic medication. This issue is effective April 2010. The recommendation also adds anti-convulsant pharmaceuticals to the prior authorization list.
Restrict inpatient hospital claims for readmission within 24 hours	(1,400,000)	The recommendation makes system changes to automatically deny hospital claims for readmission for the same condition within 24 hours.
Correct home health billing for Dual Eligible clients	(500,000)	The recommendation reflects anticipated savings due to additional claim reviews that will ensure certain Medicare benefits are exhausted before Medicaid is billed.
Cost sharing for families over the resource limit	(22,382)	The recommendation implements a \$1.00 co-pay for home and community-based services provided to clients with incomes over the resource limit.
TOTAL	(\$27,086,444)	

Medicaid program efficiencies: The recommendation includes a reduction of \$1.8 million total funds (\$897,952 General Fund) for two cost-saving initiatives. The first initiative saves \$1.9 million total funds by increasing the bed capacity for the hospital back-up program. With additional bed capacity, the Department anticipates moving certain high cost clients from inpatient hospital settings to lower-cost skilled nursing facilities. The savings from the hospital back-up program are offset by a \$146,182 total fund increase to provide a fluoride varnish benefit for children. This new benefit is anticipated to significantly lower cavity rates and lead to out-year cost savings.

Enhance estate recovery: The recommendation includes a reduction of \$1.1 million (\$558,360 General Fund) that reflects cost savings anticipated from increased estate and income recovery efforts.

Pharmacy efficiencies initiative: The recommendation includes a reduction of \$1.0 million (\$511,443 General Fund) due to two cost saving pharmacy initiatives. The first initiative would save approximately \$737,764 total funds by automating the prior authorization process for prescription drugs. The automated prior authorization system screens pharmacy claims against client information from the medical and pharmacy database and determines if the client meets the prior authorization requirement. This eliminates the current time-consuming process of filing the prior authorization requests manually. The second initiative implements another methodology to determine pharmacy reimbursement. Under the State Maximum Allowable Cost

methodology, prescription drug costs are anticipated to decline by \$285,123 total funds for FY 2009-10. Additional savings are anticipated in FY 2010-11 once the program is fully implemented.

Increase health insurance buy-in program: The recommendation includes a reduction of \$625,000 (\$312,500 General Fund) due to enrolling an additional 100 clients into the Health Insurance Buy-In program. Under this program, the Department pays the health insurance premiums, deductibles, coinsurance or co-pays for Medicaid clients who have access to private health insurance or COBRA in order to move the client from full Medicaid coverage to private insurance coverage. Currently, this program has an enrollment of approximately 400 clients.

Community transitions: The recommendation includes a reduction of \$373,390 total funds (\$186,695 General Fund) to transition 18 mental health home and community-based waiver program clients from institutional care treatment settings to independent living.

Medicaid Mental Health Community Programs: This division provides for mental health care through the purchase of services from five regional behavioral health organizations (BHOs), which manage mental health services for eligible Medicaid recipients in a capitated, risk-based model. This division also contains funding for Medicaid mental health fee-for-service expenditures. Funding for FY 2009-10 reflects funding for 449,164 Medicaid clients who are eligible for mental health services.

Medicaid Mental Health Community Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$217,133,795	\$99,622,603	\$8,925,452	\$7,330	\$108,578,410	0.0
Long Bill Supplemental	(803,000)	1,436,761	(1,838,861)	1,208	(402,108)	0.0
FY 2008-09 Adjusted Appropriation	\$216,330,795	\$101,059,364	\$7,086,591	\$8,538	\$108,176,302	0.0
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
Caseload and cost increases for capitation program	15,110,790	5,867,570	1,685,519	670	7,557,031	0.0
Fee-for-service cost increases	174,374	87,187	0	0	87,187	0.0
Total FY 2009-10 JBC Recommendation	\$231,615,959	\$107,014,121	\$8,772,110	\$9,208	\$115,820,520	0.0
\$ Change from prior year	\$15,285,164	\$5,954,757	\$1,685,519	\$670	\$7,644,218	0.0
% Change from prior year	7.1%	5.9%	23.8%	7.8%	7.1%	n/a

Issue Descriptions

Long Bill Supplemental: The FY 2009-10 Long Bill contains a section that adjusts the FY 2008-09 appropriation based on new caseload and cost information. The Long Bill supplemental is based on actual Medicaid caseload and expenditure data through February 2009. The final FY 2008-09 Medicaid mental health caseload and costs as compared to the FY 2009-10 estimates are shown in Table 1.

Caseload and cost increases for capitation program: The recommendation includes a total fund increase of \$15.1 million for FY 2009-10 in order to fund the Medicaid mental health program's forecasted caseload and capitation costs. The capitation rate increases are based on contractual obligations and are reviewed for

actuarial soundness. For FY 2009-10 the capitation rates will be set at the mid-range of the actuarially sound range. Table 1 compares the projected costs for the mental health program by aid category in FY 2008-09 to the estimates for FY 2009-10.

Table 1: Final FY 2008-09 Estimates Compared to FY 2009-10 JBC Recommendation							
Eligible Medicaid Mental Health Caseload -- ONLY	FY 2008-09 Caseload	FY 2008-09 Est. Capitation Rate for Aid Category	FY 2008-09 Cost Estimate	FY 2009-10 Caseload	FY 2009-10 Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	Cost Difference
SSI 65+	37,578	\$163.42	\$6,140,996	38,332	\$165.12	\$6,329,380	\$188,384
SSI 60-64	6,393	\$1,586.85	\$10,144,732	6,544	\$1,670.84	\$10,933,977	\$789,245
SSI Disabled	51,298	\$1,586.85	\$81,402,231	52,629	\$1,670.84	\$87,934,638	\$6,532,407
Low Income Adults	48,693	\$250.69	\$12,206,848	54,116	\$259.31	\$14,032,820	\$1,825,972
Expansion Adults	12,484	\$250.69	\$3,129,614	14,430	\$259.31	\$3,741,843	\$612,229
Baby Care Adults	6,986	\$250.69	\$1,751,320	6,750	\$259.31	\$1,750,343	(\$977)
Breast and Cervical Cancer Treatment Adults	301	\$241.54	\$72,704	321	\$260.47	\$83,611	\$10,907
Children	232,414	\$187.37	\$43,547,411	257,356	\$192.69	\$49,589,928	\$6,042,517
Foster Children	18,010	\$3,130.36	\$56,377,784	18,686	\$2,969.49	\$55,487,890	(\$889,894)
Total	414,157	n/a	\$214,773,640	449,164	n/a	\$229,884,430	\$15,110,790

Fee for service costs increases: Certain individuals and certain costs for mental health services are excluded from the mental health capitation program. The recommendation includes an increase of \$174,374 (including \$87,187 General Fund) for the forecasted increase for these services based primarily on the estimated increase in the Medicaid population.

Indigent Care Program: This division contains funding for the following programs:

Safety Net Provider Payment Program -- This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program. This program served approximately 195,000 clients in FY 2007-08.

Children's Basic Health Plan -- This program provides health insurance to otherwise uninsured children from families at or below 205 percent of the FPL. The program also provides health insurance to eligible adult women between 133 percent and 205 percent of FPL. The Children's Basic Health Plan (CBHP) provides health insurance to an estimated 67,152 children and an average monthly caseload of 1,821 adult pregnant women.

Primary Care Fund Program and Comprehensive Primary and Preventive Care Grant Program -- These two programs provide funding to medical providers that serve indigent populations or provide services in a designated medically under-served area.

Indigent Care Program	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$545,742,903	\$37,196,662	\$224,000,226	\$15,495,000	\$269,051,015	0.0
Long Bill Supplemental	239,654	0	1,298,966	0	(1,059,312)	0.0
S.B. 264 - Maximize Federal Revenues	<u>(2,148,113)</u>	<u>(2,149,250)</u>	<u>(51,292)</u>	<u>(2,149,250)</u>	<u>2,201,679</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$543,834,444	\$35,047,412	\$225,247,900	\$13,345,750	\$270,193,382	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Children's Basic Health Plan program	27,340,674	2,500,000	6,184,039	2,500,000	16,156,635	0.0
Disproportionate Share Payment increase	6,358,136	0	3,179,068	0	3,179,068	0.0
Annualize prior year funding	2,148,113	2,149,250	51,292	2,149,250	(2,201,679)	0.0
Comprehensive Primary and Preventative Care Public Hospitals	1,041,096	0	867,423	0	173,673	0.0
Primary Care Fund revenue increase	625,343	0	625,343	0	0	0.0
Revenue changes	10,134	9,000	(3,933)	9,000	(3,933)	0.0
Primary Care Preventative Care Grant Program reduction	(2,216,605)	0	(2,216,605)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$579,141,335	\$39,705,662	\$233,934,527	\$18,004,000	\$287,497,146	0.0
\$ Change from prior year	\$35,306,891	\$4,658,250	\$8,686,627	\$4,658,250	\$17,303,764	0.0
% Change from prior year	6.5%	13.3%	3.9%	34.9%	6.4%	n/a

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$37,196,662	\$36,701,662	\$495,000
Program General Fund Issues	2,500,000	2,500,000	0
Tobacco Tax Revenue adjustment	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Total FY 2009-10			
Long Bill Recommendation	\$39,705,662	\$39,201,662	\$504,000

General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. House Bill 05-1262 requires that beginning in FY 2006-07, 50.0 percent of the tobacco tax revenues appropriated to the

General Fund be appropriated to the Pediatric Specialty Hospital Fund pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.

Issue Descriptions

Long Bill supplemental: The FY 2009-10 Long Bill contains a section that adjusts the FY 2008-09 appropriation for the following issues:

- (1) An increase of \$8.2 million for the Disproportionate Share Hospitals (DSH) program. Of this amount, 4.1 million is from federal funds and \$4.1 million is from certified expenditures from public hospitals.
- (2) A decrease of \$7.9 million total funds based on new caseload and cost estimates for the Children's Basic Health Plan (CBHP) that are lower than initially forecasted in S.B. 09-187. This amount is comprised of \$2.8 million cash fund and \$5.1 million federal funds. The final FY 2008-09 CBHP caseload and costs as compared to the FY 2009-10 estimates are shown in Table 1 below.

Children's Basic Health Plan program: The recommendation includes a total funds increase of \$27.3 million to fund the forecasted caseload and per-capita-cost increases for the CBHP program. The cost changes for the CBHP program are based on the following assumptions: (1) an overall increase to the children's caseload of 5,351 or 8.7 percent; (2) an increase in the adult prenatal program caseload of 128 clients or 7.6 percent; (3) an increase in the per capita rate for the children's medical program of \$248.96 or 15.3 percent; and (5) a decrease in the per capita rate for the adult prenatal program per capita of \$1,195.63 or 9.9 percent. The per capita rate changes result from an actuary recommendation based on current health care trends in the community and for the program. The recommendation also reflects an increase of \$2.5 million to the CBHP Trust Fund based on a projected deficit in the fund for FY 2009-10. Finally, the recommendation decreases the CBHP Administration line item by \$815,000 to eliminate additional marketing and outreach activities. Table 1 below shows the FY 2008-09 caseload assumptions and per-capita costs compared to the final recommended caseload and per-capita costs for FY 2009-10.

Table 1: Final FY 2008-09 Estimates Compared to FY 2009-10 JBC Recommendation							
Eligible Caseload	FY 2008-09 Caseload	FY 2008-09 Est. Capitation Rate for Aid Category	FY 2008-09 Cost Estimate	FY 2009-10 Caseload	FY 2009-10 Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	Cost Difference
Children - Medical	61,801	\$1,625.74	\$100,472,358	67,152	\$1,874.70	\$125,889,845	\$25,417,487
Children - Dental		\$163.04	\$10,076,035		\$163.04	\$10,948,462	\$872,427
Adult Prenatal - Medical	1,693	\$12,054.70	\$20,408,607	1,821	\$10,859.07	\$19,774,366	(\$634,241)
Total Caseload Impacts	63,494	n/a	\$130,957,000	68,973	n/a	\$156,612,674	\$25,655,674
Impact to CBHP Trust Fund			\$0			\$2,500,000	\$2,500,000
Impact to CBHP Administration			\$6,352,590			\$5,537,590	(\$815,000)

Table 1: Final FY 2008-09 Estimates Compared to FY 2009-10 JBC Recommendation

Eligible Caseload	FY 2008-09 Caseload	FY 2008-09 Est. Capitation Rate for Aid Category	FY 2008-09 Cost Estimate	FY 2009-10 Caseload	FY 2009-10 Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	Cost Difference
TOTAL CBHP IMPACTS			\$137,309,590				\$164,650,264
							\$27,340,674

Disproportionate Share Payment increase: The recommendation includes an increase of \$6.4 million total funds to appropriate the additional federal funding and corresponding certified public expenditures available from the federal American Recovery and Reinvestment Act of 2009.

Annualize prior year funding: The recommendation reduces the appropriation for the one-time impacts of S.B. 09-264 in FY 2008-09.

Comprehensive Primary and Preventative Care Grants: The recommendation restores a one-time reduction enacted in S.B. 09-210 to public hospital grants. This program is further reduced by another JBC budget balancing bill described in the summary section of this report.

Primary Care Fund revenue increase: The recommendation includes an increase of \$625,343 based on the estimated revenue available in the Primary Care Fund. Amendment 35 of the Colorado Constitution requires that all available revenue from this fund be annually appropriated.

Revenue changes: The recommendation includes a \$10,134 total fund increase to reflect revenue impacts for various programs.

Primary Care Preventative Care Grant Program reduction: The recommendation includes a reduction of \$2.2 million to reflect the impact of S.B. 09-210, which transferred \$2.4 million from this program's fund source to the General Fund. This reduction is partially offset by appropriating the fund balance, as well as the remaining revenue, for FY 2009-10. This program is further impacted by another JBC budget balancing bill described in the summary section of this report.

Other Medical Services: This division contains the funding for programs not administered by the Department through the Medicaid or Indigent Care Programs. Six of the line items receive Medicaid funding but are administered by other state departments, commissions, or hospitals. Two of the line items relate to the Old Age Pension State-Only Medical Program. Finally, one program relates to the State Contribution Payment for the Medicare Part D Benefit.

Other Medical Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$128,157,949	\$77,571,546	\$29,413,622	\$3,980,000	\$17,192,781	0.0
Long Bill Supplemental	<u>(8,333,971)</u>	<u>(1,074,557)</u>	<u>(3,629,707)</u>	<u>0</u>	<u>(3,629,707)</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$119,823,978	\$76,496,989	\$25,783,915	\$3,980,000	\$13,563,074	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						

Other Medical Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Medicare Modernization Act State Contribution Payment increase	14,599,752	14,599,752	0	0	0	0.0
Changes in revenue available	101,768	0	56,768	45,000	0	0.0
Public School Health Services audits	(237,264)	0	0	0	(237,264)	0.0
Other	7,398	2,948	0	0	4,450	0.0
Total FY 2009-10 JBC Recommendation	\$134,295,632	\$91,099,689	\$25,840,683	\$4,025,000	\$13,330,260	0.0
\$ Change from prior year	\$14,471,654	\$14,602,700	\$56,768	\$45,000	(\$232,814)	0.0
% Change from prior year	18.8%	18.8%	0.2%	1.1%	(1.4)%	n/a

Issue Descriptions

Medicare Modernization Act State Contribution Payment increase: The recommendation includes a General Fund increase of \$14.6 million for the Medicare Modernization Act (MMA) State Contribution Payment. Of this amount, \$7.3 million is to reverse one-time savings that occurred in FY 2008-09 from delaying the May payment until July. In addition, \$7.3 million is added to reflect current caseload and cost estimates. In FY 2009-10, the total MMA State Contribution Payment is estimated to be \$88.8 million. This amount reflects an average monthly caseload of 57,434 individuals who are eligible for both Medicare and Medicaid at an average cost of approximately \$128.86 per month.

Changes in revenue available: The recommendation includes an increase of \$101,768 total funds to reflect the additional revenue available to the Supplemental Old Age Pension Health Medical Care Fund.

Public School Health Services audits: The recommendation transfers \$237,264 in federal funds from the Public School Health Services Program to the Executive Director's Office, Provider Audit Contracts line item to perform audits of the Medicaid School Health Services Program to ensure proper billing and compliance with federal rules.

Other: The recommendation includes an increase of \$7,398 total funds for other adjustments related to centrally appropriated line items.

Department of Human Services Medicaid-Funded Programs: This division contains funding for programs administered by the Department of Human Services that are eligible for Medicaid funding. The funds appropriated in this division are transferred to the Department of Human Services as reappropriated funds. Detail about the programs funded with these dollars can be found in the Department of Human Services section.

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$400,500,727	\$196,676,495	\$2,718,054	\$1,014,005	\$200,092,173	0.0
Long Bill Supplemental	<u>2,552,539</u>	<u>1,276,270</u>	<u>0</u>	<u>0</u>	<u>1,276,269</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$403,053,266	\$197,952,765	\$2,718,054	\$1,014,005	\$201,368,442	0.0

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Recommended Changes from FY 2008-09 Appropriation						
Program changes in the Department of Human Services with Medicaid impacts	21,339,367	11,398,423	(2,085,085)	1,111,555	10,914,474	0.0
Total FY 2009-10 JBC Recommendation	\$424,392,633	\$209,351,188	\$632,969	\$2,125,560	\$212,282,916	0.0
\$ Change from prior year	\$21,339,367	\$11,398,423	(\$2,085,085)	\$1,111,555	\$10,914,474	0.0
% Change from prior year	5.3%	5.8%	(76.7)%	109.6%	5.4%	n/a

Issue Descriptions

Long Bill Supplemental: This primarily reflects a one-time increase for the regional centers for people with developmental disabilities to address prior year accounting errors. Please see the Department of Human Services for additional detail on this issue.

Program changes in the Department of Human Services with Medicaid impacts: This primarily reflects increases for community services for people with developmental disabilities, including the restoration of one-time FY 2008-09 reductions and the annualization to a full year of new residential and supported living Medicaid waiver placements added for six months in FY 2008-09. Please see the Department of Human Services for detail on this issue.

Department of Higher Education

Department Description: This department is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. Financial aid programs also fall under the purview of CCHE.

Summary Table for Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,725,901,821	\$782,937,855	\$1,224,926,051	\$697,807,802	\$20,230,113	19,803.3
Long Bill supplemental	<u>30,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000,000</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$2,755,901,821	\$782,937,855	\$1,224,926,051	\$697,807,802	\$50,230,113	19,803.3
Recommended Changes from FY 2008-09 by Long Bill Division						
Department Administrative Office	(501,407)	0	(327,069)	(107,485)	(66,853)	0.0
Colorado Commission on Higher Education	298,452	0	38,699	235,644	24,109	0.0
Colorado Commission on Higher Education Financial Aid	(1,836,452)	(1,836,452)	0	0	0	0.0
College Opportunity Fund Program	(407,008,798)	(407,008,798)	0	0	0	0.0
Governing Boards	(177,694,073)	0	158,761,358	(406,276,798)	69,821,367	1,081.9
Local District Junior Colleges	(7,944,055)	(9,533,159)	0	0	1,589,104	0.0
Division of Occupational Education	(4,083,797)	(6,476,890)	0	1,272,783	1,120,310	0.0
Auraria Higher Education Center	1,043,000	0	0	1,043,000	0	67.7
State Historical Society	(9,292,637)	125,000	(9,452,279)	0	34,642	2.0
Total FY 2009-10 Long Bill Recommendation	\$2,148,882,054	\$358,207,556	\$1,373,946,760	\$293,974,946	\$122,752,792	20,954.9
S.B. 09-273 Pinnacol Assurance Augment State Revenue	588,885,983	300,495,615	0	288,390,368	0	0.0
S.B. 09-269 Adjust Tobacco Settlement Moneys Alloc	(262,571)	0	(262,571)	0	0	0.0
H.B. 09-1267 Higher Ed Pervasively Sectarian Inst	43,245	43,245	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,737,548,711	\$658,746,416	\$1,373,684,189	\$582,365,314	\$122,752,792	20,954.9
\$ Change from prior year	(\$18,353,110)	(\$124,191,439)	\$148,758,138	(\$115,442,488)	\$72,522,679	1,151.6
% Change from prior year	(0.7)%	(15.9)%	12.1%	(16.5)%	144.4%	5.8%

¹ This amount includes a General Fund Exempt appropriation. See the division detail for more information on General Fund Exempt recommended appropriations.

Recommendation Highlights:

1. Reduces General Fund (and reappropriated funds) for stipends and fee-for-service contracts for the governing boards by \$406.3 million, or 62 percent;
2. Reduces General Fund grants for the Local District Junior Colleges by \$9.5 million and for the Area Vocational Schools by \$6.7 million, or 62 percent;
3. Reduces financial aid programs by a net \$1.8 million, including eliminating graduate student aid and precollegiate programs;
4. Partially restores reductions for the higher education institutions with a \$300.5 million General Fund appropriation in S.B. 09-273 Pinnacol Assurance Augment State Revenue;
5. Provides \$140.6 million tuition spending authority for rate increases of 9.0 percent for resident students and 5.0 percent for nonresidents (see footnote 18 for more information about the tuition recommendation);
6. Reflects anticipated federal stimulus money from the American Recovery and Reinvestment Act of 2009, including \$30.0 million in FY 2008-09 and \$102.9 million in FY 2009-10;
7. Reflects an additional \$11.7 million for academic and academic facility fees, primarily due to reporting changes;
8. Reflects a projected \$9.8 million decrease in historic preservation grants due to lower limited gaming revenue; and
9. Reflects the estimate by each governing board of FY 2008-09 FTE.

JBC Budget Package Legislation:

S.B. 09-269 Adjust Tobacco Settlement Moneys Alloc: See Public Health and Environment for more detail.

S.B. 09-273 Pinnacol Assurance Augment State Revenue: This bill requires Pinnacol Assurance to transmit \$500 million from surplus funds to the General Fund as soon as possible between July 1, 2009 and September 1, 2009. Of this amount, \$300 million is appropriated to the Department of Higher Education as detailed on the following page. The remainder satisfies General Fund reserve requirements.

General Fund Support without and with Pinnacol Increase						
Governing Board	FY 2008-09 Appropriation	FY 2009-10 Long Bill	Pinnacol Increase	FY 2009-10 With Pinnacol	Difference from FY 2008-09	Percent
Adams	<u>\$14,050,598</u>	<u>\$5,287,027</u>	<u>\$6,258,459</u>	<u>\$11,545,486</u>	<u>(\$2,505,112)</u>	<u>-17.8%</u>
Stipends	3,806,040	1,210,860	1,445,220	2,656,080	(1,149,960)	-30.2%
Fee-for-service	10,244,558	4,076,167	4,813,239	8,889,406	(1,355,152)	-13.2%
Mesa	<u>23,082,286</u>	<u>8,683,507</u>	<u>10,279,005</u>	<u>18,962,512</u>	<u>(4,119,774)</u>	<u>-17.8%</u>
Stipends	12,226,800	4,109,670	4,905,090	9,014,760	(3,212,040)	-26.3%
Fee-for-service	10,855,486	4,573,837	5,373,915	9,947,752	(907,734)	-8.4%
Metro	<u>46,880,147</u>	<u>17,357,163</u>	<u>20,546,347</u>	<u>37,903,510</u>	<u>(8,976,637)</u>	<u>-19.1%</u>
Stipends	43,986,120	15,763,500	18,814,500	34,578,000	(9,408,120)	-21.4%
Fee-for-service	2,894,027	1,593,663	1,731,847	3,325,510	431,483	14.9%
Western	<u>11,709,831</u>	<u>4,406,735</u>	<u>5,216,423</u>	<u>9,623,158</u>	<u>(2,086,673)</u>	<u>-17.8%</u>
Stipends	4,002,000	1,331,760	1,589,520	2,921,280	(1,080,720)	-27.0%
Fee-for-service	7,707,831	3,074,975	3,626,903	6,701,878	(1,005,953)	-13.1%
CSU System	<u>139,482,938</u>	<u>51,940,404</u>	<u>61,483,875</u>	<u>113,424,279</u>	<u>(26,058,659)</u>	<u>-18.7%</u>
Stipends	53,865,172	18,930,150	22,594,050	41,524,200	(12,340,972)	-22.9%
Fee-for-service	85,617,766	33,010,254	38,889,825	71,900,079	(13,717,687)	-16.0%
Fort Lewis	<u>12,122,926</u>	<u>4,523,197</u>	<u>5,354,285</u>	<u>9,877,482</u>	<u>(2,245,444)</u>	<u>-18.5%</u>
Stipends	7,087,680	2,145,510	2,560,770	4,706,280	(2,381,400)	-33.6%
Fee-for-service	5,035,246	2,377,687	2,793,515	5,171,202	135,956	2.7%
CU Regents	<u>201,101,419</u>	<u>75,667,414</u>	<u>89,570,458</u>	<u>165,237,872</u>	<u>(35,863,547)</u>	<u>-17.8%</u>
Stipends	77,525,640	26,920,710	32,131,170	59,051,880	(18,473,760)	-23.8%
Fee-for-service	123,575,779	48,746,704	57,439,288	106,185,992	(17,389,787)	-14.1%
Mines	<u>22,387,257</u>	<u>8,435,260</u>	<u>9,985,146</u>	<u>18,420,406</u>	<u>(3,966,851)</u>	<u>-17.7%</u>
Stipends	7,429,920	2,519,370	3,006,990	5,526,360	(1,903,560)	-25.6%
Fee-for-service	14,957,337	5,915,890	6,978,156	12,894,046	(2,063,291)	-13.8%
UNC	<u>42,425,773</u>	<u>15,971,132</u>	<u>18,905,650</u>	<u>34,876,782</u>	<u>(7,548,991)</u>	<u>-17.8%</u>
Stipends	21,804,000	7,182,390	8,572,530	15,754,920	(6,049,080)	-27.7%
Fee-for-service	20,621,773	8,788,742	10,333,120	19,121,862	(1,499,911)	-7.3%
Community Colleges	<u>136,660,303</u>	<u>51,354,841</u>	<u>60,790,720</u>	<u>112,145,561</u>	<u>(24,514,742)</u>	<u>-17.9%</u>
Stipends	111,581,280	43,376,130	51,771,510	95,147,640	(16,433,640)	-14.7%
Fee-for-service	25,079,023	7,978,711	9,019,210	16,997,921	(8,081,102)	-32.2%
SUBTOTAL Gov. Boards	<u>\$649,903,478</u>	<u>\$243,626,680</u>	<u>\$288,390,368</u>	<u>\$532,017,048</u>	<u>(117,886,430)</u>	<u>-18.1%</u>
Stipends	343,314,652	123,490,050	147,391,350	270,881,400	(72,433,252)	-21.1%
Fee-for-service	306,588,826	120,136,630	140,999,018	261,135,648	(45,453,178)	-14.8%
Local District Jr. Colleges	15,890,257	5,752,274	6,809,190	12,561,464	(3,328,793)	-20.9%
Area Vocational Schools	10,776,148	4,055,322	4,800,442	8,855,764	(1,920,384)	-17.8%
Private Stipends*	1,104,000	415,245	495,615	910,860	(193,140)	-17.5%
TOTAL	\$677,673,883	\$253,849,521	\$300,495,615	\$554,345,136	(\$123,328,747)	-18.2%

* Includes amounts appropriated for private stipends in H.B. 08-1267.

Budget Recommendation Detail by Long Bill Division

Department Administrative Office: This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and the Historical Society. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department.

Department Administrative Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,304,755	\$0	\$1,330,789	\$863,031	\$110,935	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Centrally-appropriated line items	8,370	0	9,305	4,391	(5,326)	0.0
Eliminate salary survey and performance-based pay	(509,777)	0	(336,374)	(111,876)	(61,527)	0.0
Total FY 2009-10 JBC Recommendation	\$1,803,348	\$0	\$1,003,720	\$755,546	\$44,082	0.0
\$ Change from prior year	(\$501,407)	\$0	(\$327,069)	(\$107,485)	(\$66,853)	0.0
% Change from prior year	(21.8)%	n/a	(24.6)%	(12.5)%	(60.3)%	n/a

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, leased space, and vehicle leases.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Colorado Commission on Higher Education: This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries and fees paid to the Division of Private Occupational Schools. The sources of reappropriated funds include indirect cost recoveries.

Colorado Commission on Higher Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$24,315,684	\$0	\$21,214,191	\$2,741,016	\$360,477	38.9
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	162,914	0	31,965	106,840	24,109	0.0
Annualize FY 2008-09 hiring freeze	133,154	0	20,001	113,153	0	0.0
Postage increase	2,384	0	0	2,384	0	0.0
Fund source adjustment	0	0	(13,267)	13,267	0	0.0
Total FY 2009-10 JBC Recommendation	\$24,614,136	\$0	\$21,252,890	\$2,976,660	\$384,586	38.9
\$ Change from prior year	\$298,452	\$0	\$38,699	\$235,644	\$24,109	0.0
% Change from prior year	1.2%	n/a	0.2%	8.6%	6.7%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Fund source adjustment: The recommendation reflects a decrease in the amount of indirect cost recoveries that are subject to TABOR because they are paid by enterprises, and an increase in indirect cost recoveries from non-enterprises.

Colorado Commission on Higher Education Financial Aid: This division includes the state funded financial aid programs administered by CCHE.

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$107,668,796	\$105,768,796	\$0	\$0	\$1,900,000	0.2
Recommended Changes from FY 2008-09 Appropriation						
Native American students	1,263,548	1,263,548	0	0	0	0.0
Eliminate Precollegiate Programs	(1,600,000)	(1,600,000)	0	0	0	0.0
Eliminate Merit Based Aid	(1,500,000)	(1,500,000)	0	0	0	0.0

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2009-10 JBC Recommendation	\$105,832,344	\$103,932,344	\$0	\$0	\$1,900,000	0.2
\$ Change from prior year	(\$1,836,452)	(\$1,836,452)	\$0	\$0	\$0	0.0
% Change from prior year	(1.7)%	(1.7)%	n/a	n/a	0.0%	0.0%

Issue Descriptions

Native American students: The recommendation includes a General Fund increase for payments for Fort Lewis College for Native American student tuition waivers provided in FY 2008-09, pursuant to Section 23-52-105, C.R.S.

Eliminate Precollegiate Programs: The recommendation eliminates General Fund for Precollegiate Programs.

Eliminate Merit Based Aid: The recommendation eliminates General Fund for Merit Based Aid.

College Opportunity Fund Program: This section includes General Fund for student stipend payments for students attending state-operated higher education institutions and students attending private institutions, and for fee-for-service contracts between CCHE and the institutions.

College Opportunity Fund Program	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Adjusted Appropriation	\$651,007,478	\$651,007,478	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Stipends State-operated institutions	(219,824,602)	(219,824,602)	0	0	0	0.0
Fee-for-service contracts	(186,452,196)	(186,452,196)	0	0	0	0.0
Private Stipends	(732,000)	(732,000)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$243,998,680	\$243,998,680	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$407,008,798)	(\$407,008,798)	\$0	\$0	\$0	0.0
% Change from prior year	(62.5)%	(62.5)%	n/a	n/a	n/a	n/a

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$651,007,478	\$320,507,478	\$330,500,000
Stipend payments	0	329,700,000	(329,700,000)
FY 2008-09 Adjusted Appropriation	\$651,007,478	\$650,207,478	\$800,000
Stipend payments	(219,824,602)	(219,024,602)	(800,000)
All other changes	(187,184,196)	(187,184,196)	0

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Total FY 2009-10 Long Bill Recommendation	\$243,998,680	\$243,998,680	\$0

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes.

Issue Descriptions

Stipends State-operated institutions: The recommendation includes a \$1,830 decrease in the stipend rate for full-time students attending public higher education institutions (from \$2,760 per 30 credit hours to \$930 per 30 credit hours). With a projected stipend-eligible population of 132,785 student full-time equivalents (SFTE) the reduction saves \$243.0 million. For more detail of the impact by institution, see the Governing Boards section below.

Fee-for-service contracts: The combined recommended changes in stipends and fee-for-service contracts result in a 62.5 percent General Fund reduction for the governing boards. The fee-for-service contract amount is the difference between the stipend savings and the total targeted General Fund savings per governing board. For more detail of the impact by institution, see the Governing Boards section below.

Private stipends: The recommendation includes a reduction of \$732,000 for stipends for eligible students attending participating private institutions. To be eligible a student attending a private institution must demonstrate financial need by qualifying for the federal Pell grant. The private stipend rate is set by statute at 50.0 percent of the public stipend rate.

Governing Boards: This division includes cash funds spending authority for tuition, academic and academic facility fees, and tobacco revenues. It also includes reappropriated funds spending authority for the state-operated higher education institutions from student stipend payments, fee-for-service contracts, and appropriated grants.

Governing Boards	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,822,068,240	\$0	\$1,169,789,231	\$652,279,009	\$0	19,481.7
Long Bill supplemental	<u>28,968,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,968,778</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$1,851,037,018	\$0	\$1,169,789,231	\$652,279,009	\$28,968,778	19,481.7
Recommended Changes from FY 2008-09 Appropriation						
Tuition	140,609,075	0	140,609,075	0	0	0.0

Governing Boards	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Federal stimulus	69,821,367	0	0	0	69,821,367	0.0
Academic fees	18,786,012	0	18,786,012	0	0	0.0
FTE Adjustment	0	0	0	0	0	1,081.9
Stipends and fee-for-service contracts	(406,276,798)	0	0	(406,276,798)	0	0.0
Tobacco	(633,729)	0	(633,729)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,673,342,945	\$0	\$1,328,550,589	\$246,002,211	\$98,790,145	20,563.6
\$ Change from prior year	(\$177,694,073)	\$0	\$158,761,358	(\$406,276,798)	\$69,821,367	1,081.9
% Change from prior year	(9.6)%	n/a	13.6%	(62.3)%	241.0%	5.6%

Issue Descriptions

Tuition: The recommendation provides a 9.0 percent increase in resident tuition spending authority and a 5.0 percent increase in nonresident tuition spending authority. See footnote 18 for more information about the tuition recommendation.

Tuition Spending Authority						FY 2008-09 Resident Undergraduate Full-time Rate
	FY 2008-09 Appropriation	Revised Estimate of FY 2008-09 Revenues	Projected Enrollment Changes FY 2009-10	Recommended Authority for Rate Increases	FY 2009-10 Recommended Appropriation	
Adams	\$7,811,548	\$7,473,448	(\$46,965)	\$558,755	\$7,985,238	\$2,496
Mesa	25,765,569	24,892,959	777,342	2,131,906	27,802,207	\$4,325
Metro	52,397,880	53,528,840	3,177,640	4,847,611	61,554,091	\$2,615
Western	9,307,422	8,868,017	(131,549)	619,979	9,356,447	\$2,880
CSU System	205,236,426	208,939,655	5,703,539	15,327,915	229,971,109	\$4,424
Fort Lewis	24,910,454	24,771,526	193,605	1,541,077	26,506,208	\$2,846
CU Regents	526,718,894	544,036,919	22,176,128	31,205,291	597,418,338	\$5,922
Mines	58,677,759	59,828,110	2,505,067	4,389,558	66,722,735	\$9,810
UNC	52,398,876	52,359,877	(466,429)	4,120,175	56,013,623	\$3,942
Com Colleges	143,460,496	147,217,818	10,659,795	13,148,790	171,026,403	\$1,944
TOTAL	\$1,106,685,324	\$1,131,917,169	\$44,548,173	\$77,891,057	\$1,254,356,399	

Federal stimulus: The recommendation reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009.

Federal stimulus			
	FY 2008-09 Appropriation	FY 2009-10 Recommendation	Difference
Adams	\$557,851	\$2,019,887	\$1,462,036
Mesa	923,321	3,329,927	2,406,606
Metro	2,833,265	8,385,511	5,552,246
Western	463,186	1,680,455	1,217,269
CSU System	7,408,574	23,219,920	15,811,346
Fort Lewis	613,404	1,966,467	1,353,063

Federal stimulus			
	FY 2008-09 Appropriation	FY 2009-10 Recommendation	Difference
CU Regents	7,998,030	28,933,167	20,935,137
Mines	850,129	3,152,789	2,302,660
UNC	1,660,538	6,058,587	4,398,049
Com. Colleges	5,660,480	20,043,435	14,382,955
TOTAL	\$28,968,778	\$98,790,145	\$69,821,367

Academic fees: The recommendation includes a net increase in academic fees and academic facility fees. Academic fees and academic facility fees are a small subset of total fees charged by campuses. These fees directly support the academic mission of the institutions. Fees for auxiliary programs like housing, food services, parking, and student government are not appropriated in the Long Bill. In response to new guidance from the Department, institutions made changes in the fees reported. Reporting changes account for the large changes for some of the governing boards.

Academic Fees and Academic Facility Fees			
	FY 2008-09	FY 2009-10	Difference
Adams	\$443,000	\$477,000	\$34,000
Mesa	425,000	430,000	5,000
Metro	900,000	4,999,643	4,099,643
Western	26,000	0	(26,000)
CSU System	12,077,000	12,233,700	156,700
Fort Lewis	1,000,000	1,000,000	0
CU Regents	22,498,380	26,058,305	3,559,925
Mines	1,045,150	2,150,000	1,104,850
UNC	797,337	3,042,054	2,244,717
Com Colleges	5,845,740	6,390,917	545,177
TOTAL	\$45,057,607	\$56,781,619	\$11,724,012

FTE adjustment: The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Historically, projections submitted by the schools of employment in the current year have been used in the Long Bill. Thus, the FTE reported lags funding decisions.

Full-time Equivalent Employees				
	FY 2008-09 Long Bill	Estimate in FY 2009-10 Request	Differenc e	Percent
Adams	285.3	271.2	(14.1)	-4.9%
Mesa	474.8	508.9	34.1	7.2%
Metro	1,124.0	1,196.9	72.9	6.5%
Western	241.5	242.3	0.8	0.3%
CSU System	4,070.7	4,228.0	157.3	3.9%
Fort Lewis	449.3	461.9	12.6	2.8%
CU Regents	6,507.6	6,914.5	406.9	6.3%
Mines	653.6	667.5	13.9	2.1%
UNC	954.9	983.4	28.5	3.0%
Com. Colleges	4,720.0	5,089.0	369.0	7.8%
TOTAL	19,481.7	20,563.6	1,081.9	5.6%

Stipends and fee-for-service contracts: The recommendation includes reappropriated funds spending authority for General Fund received by the institutions through stipends and fee-for-service contracts. The combined recommended changes in stipends and fee-for-service contracts result in a 62.5 percent General Fund reduction for the governing boards. The reductions are applied by governing board according to the new money each governing board received in FY 2008-09 until that money is gone, and then in proportion to each governing board's share of General Fund thereafter.

Stipends and Fee-for-service Contracts				
Governing Board	FY 2008-09	FY 2009-10	Difference	Percent
Adams	<u>\$14,050,598</u>	<u>\$5,287,027</u>	<u>(\$8,763,571)</u>	<u>-62.4%</u>
Stipends	3,806,040	1,210,860	(2,595,180)	-68.2%
Fee-for-service	10,244,558	4,076,167	(6,168,391)	-60.2%
Mesa	<u>23,082,286</u>	<u>8,683,507</u>	<u>(14,398,779)</u>	<u>-62.4%</u>
Stipends	12,226,800	4,109,670	(8,117,130)	-66.4%
Fee-for-service	10,855,486	4,573,837	(6,281,649)	-57.9%
Metro	<u>46,880,147</u>	<u>17,357,163</u>	<u>(29,522,984)</u>	<u>-63.0%</u>
Stipends	43,986,120	15,763,500	(28,222,620)	-64.2%
Fee-for-service	2,894,027	1,593,663	(1,300,364)	-44.9%
Western	<u>11,709,831</u>	<u>4,406,735</u>	<u>(7,303,096)</u>	<u>-62.4%</u>
Stipends	4,002,000	1,331,760	(2,670,240)	-66.7%
Fee-for-service	7,707,831	3,074,975	(4,632,856)	-60.1%
CSU System	<u>139,482,938</u>	<u>51,940,404</u>	<u>(87,542,534)</u>	<u>-62.8%</u>
Stipends	53,865,172	18,930,150	(34,935,022)	-64.9%
Fee-for-service	85,617,766	33,010,254	(52,607,512)	-61.4%
Fort Lewis	<u>12,122,926</u>	<u>4,523,197</u>	<u>(7,599,729)</u>	<u>-62.7%</u>
Stipends	7,087,680	2,145,510	(4,942,170)	-69.7%
Fee-for-service	5,035,246	2,377,687	(2,657,559)	-52.8%
CU Regents	<u>201,101,419</u>	<u>75,667,414</u>	<u>(125,434,005)</u>	<u>-62.4%</u>
Stipends	77,525,640	26,920,710	(50,604,930)	-65.3%
Fee-for-service	123,575,779	48,746,704	(74,829,075)	-60.6%
Mines	<u>22,387,257</u>	<u>22,387,257</u>	<u>0</u>	<u>0.0%</u>
Stipends	7,429,920	2,519,370	(4,910,550)	-66.1%
Fee-for-service	14,957,337	5,915,890	(9,041,447)	-60.4%
UNC	<u>42,425,773</u>	<u>15,971,132</u>	<u>(26,454,641)</u>	<u>-62.4%</u>
Stipends	21,804,000	7,182,390	(14,621,610)	-67.1%
Fee-for-service	20,621,773	8,788,742	(11,833,031)	-57.4%
Com. Colleges	<u>136,660,303</u>	<u>51,354,841</u>	<u>(85,305,462)</u>	<u>-62.4%</u>
Stipends	111,581,280	43,376,130	(68,205,150)	-61.1%
Fee-for-service	25,079,023	7,978,711	(17,100,312)	-68.2%
TOTAL	<u>\$649,903,478</u>	<u>\$243,626,680</u>	<u>(\$406,276,798)</u>	<u>-62.5%</u>
Stipends	343,314,652	123,490,050	(219,824,602)	-64.0%
Fee-for-service	306,588,826	120,136,630	(186,452,196)	-60.8%

Tobacco: The recommendation reflects the projection of tobacco revenues distributed by statute to the University of Colorado Health Sciences Center.

Local District Junior Colleges: This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. Institutions that are set up as local district junior colleges have special property tax districts that also support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates.

Local District Junior Colleges	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$15,285,433	\$15,285,433	\$0	\$0	\$0	0.0
Long Bill supplemental	<u>604,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>604,824</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$15,890,257	\$15,285,433	\$0	\$0	\$604,824	0.0
Recommended Changes from FY 2008-09 Appropriation						
Decrease grants	(7,944,055)	(9,533,159)	0	0	1,589,104	0.0
Federal stimulus state stabilization fund	0	0	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$7,946,202	\$5,752,274	\$0	\$0	\$2,193,928	0.0
\$ Change from prior year	(\$7,944,055)	(\$9,533,159)	\$0	\$0	\$1,589,104	0.0
% Change from prior year	(50.0)%	(62.4)%	n/a	n/a	262.7%	n/a

Issue Descriptions

Decrease grants: The recommendation reduces General Fund grants to the local district junior colleges to address the projected budget shortfall.

Federal stimulus state stabilization fund: The recommendation reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009.

Division of Occupational Education: This division supervises and administers the occupational education programs of the state and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district junior colleges, area vocational schools, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state.

Division of Occupational Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$53,031,404	\$10,776,148	\$0	\$25,297,494	\$16,957,762	32.0
Long Bill supplemental	<u>426,398</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>426,398</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$53,457,802	\$10,776,148	\$0	\$25,297,494	\$17,384,160	32.0
Recommended Changes from FY 2008-09 Appropriation						
Area vocational school support	(5,600,516)	(6,720,826)	0	0	1,120,310	0.0
Colorado Vocational Act distributions	1,516,719	0	0	1,516,719	0	0.0

Division of Occupational Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Fund source adjustment	0	243,936	0	(243,936)	0	0.0
Total FY 2009-10 JBC Recommendation	\$49,374,005	\$4,299,258	\$0	\$26,570,277	\$18,504,470	32.0
\$ Change from prior year	(\$4,083,797)	(\$6,476,890)	\$0	\$1,272,783	\$1,120,310	0.0
% Change from prior year	(7.6)%	(60.1)%	n/a	5.0%	6.4%	0.0%

Issue Descriptions

Colorado Vocational Act distributions: The recommendation includes a \$1,516,719, or 7.0 percent, increase in the transfer from the Department of Education to secondary career and technical education programs through the Colorado Vocational Act. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

Area vocational school support: The recommendation reduces General Fund appropriations for the post-secondary activities of the four area vocational schools (Emily Griffith Opportunity School, Delta-Montrose Area Vocational-Technical Center, San Juan Basin Technical College, and Pickens Technical College) to address the projected budget shortfall. It also reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009.

Fund source adjustment: The recommendation includes a decrease of \$243,936 reappropriated funds and an increase of \$243,936 General Fund for administration of the Division of Occupational Education based on lower indirect cost recoveries.

Auraria Higher Education Center: Established by statute in 1974, the Auraria Higher Education Center (AHEC) is governed by a Board of Directors who oversee the centralized operations of the campus located in Denver. AHEC houses and provides common services to the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Auraria Higher Education Center	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$16,627,252	\$0	\$0	\$16,627,252	\$0	123.6
Recommended Changes from FY 2008-09 Appropriation						
Increase in campus operating budget	1,043,000	0	0	1,043,000	0	67.7
Total FY 2009-10 JBC Recommendation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	191.3
\$ Change from prior year	\$1,043,000	\$0	\$0	\$1,043,000	\$0	67.7
% Change from prior year	6.3%	n/a	n/a	6.3%	n/a	54.8%

Issue Descriptions

Increase in campus operating budget: The board for the Auraria Higher Education Center, which includes representatives from the three tenant institutions, annually establishes the operating budget for the campus and bills the tenant institutions for the costs. The recommendation includes additional cash funds spending authority based on the requested operating budget.

State Historical Society: The State Historical Society, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting and interpreting collections and properties of state historical significance. The Society maintains museums and historical sites throughout Colorado and provides assistance to local and regional historical societies and museums. It also distributes gaming revenue to gaming cities and through a state-wide grant program for historic preservation.

State Historical Society	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$33,592,779	\$100,000	\$32,591,840	\$0	\$900,939	126.9
Recommended Changes from FY 2008-09 Appropriation						
Museum and preservation operations	322,380	0	287,738	0	34,642	0.0
Cumbres and Toltec Scenic Railroad	125,000	125,000	0	0	0	0.0
Implement S.B. 08-206	83,186	0	83,186	0	0	2.0
Statewide preservation grant program	(8,225,868)	0	(8,225,868)	0	0	0.0
Gaming cities distribution	(1,597,335)	0	(1,597,335)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$24,300,142	\$225,000	\$23,139,561	\$0	\$935,581	128.9
\$ Change from prior year	(\$9,292,637)	\$125,000	(\$9,452,279)	\$0	\$34,642	2.0
% Change from prior year	(27.7)%	125.0%	(29.0)%	n/a	3.8%	1.6%

Issue Descriptions

Museum and preservation operations: The recommendation includes an increase for museum and preservation operations to annualize salary increases and prior year decision items, pay for postage cost increases, and provide for spending authority for \$1 increase in museum admission rates to cover increases in utilities, vehicle maintenance, and seasonal employees.

Cumbres and Toltec Scenic Railroad: The recommendation includes an increase of \$125,000 General Fund for maintenance costs of the railroad associated with new federal safety standards for locomotive running gear.

Implement S.B. 08-206: The recommendation includes an increase in spending authority from the State Historical Fund and 2.0 FTE to implement S.B. 08-206, which authorized the construction of a new museum.

Statewide preservation grant program: The recommendation reflects an anticipated \$8.2 million reduction in statewide preservation grants based on projected gaming revenues that will be deposited in the State Historical Fund through the constitutional formula, less costs for the Society Museum and Preservation

Operations appropriated pursuant to Section 12-47.1-1202 (5), C.R.S. These are FY 2008-09 revenues that will be available for expenditure in FY 2009-10, and so do not reflect any impact associated with Amendment 50, which will begin generating revenue for the state in FY 2009-10 for expenditure in FY 2010-11.

Gaming cities distribution: The recommendation includes an anticipated \$1.6 million decrease in distributions to gaming cities for historic preservation based on projected gaming revenues and the constitutional distribution formula. These are FY 2008-09 revenues that will be available for expenditure in FY 2009-10, and so do not reflect any impact associated with Amendment 50, which will begin generating revenue for the State in FY 2009-10 for expenditure in FY 2010-11.

Department of Human Services

Department Description: The Department of Human Services (DHS) is charged with the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, food stamps, child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two Mental Health Institutes, three Regional Centers for the developmentally disabled, and ten institutions for juvenile delinquents. The Department also provides funding for indigent mentally ill people, funds Community Centered Boards for the Developmentally Disabled, and contracts for the supervision and treatment of delinquent juveniles.

Summary Table for Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,119,299,480	\$678,719,298	\$349,940,640	\$425,813,755	\$664,825,787	5,528.1
Long Bill Supplemental	<u>19,623,808</u>	<u>279,995</u>	<u>94,623</u>	<u>4,443,377</u>	<u>14,805,813</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$2,138,923,288	\$678,999,293	\$350,035,263	\$430,257,132	\$679,631,600	5,528.1
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	(6,494,215)	(4,091,835)	(569)	(1,152,128)	(1,249,683)	2.2
Information Technology Services	(9,204,752)	2,343,897	(6,335,073)	(1,723,110)	(3,490,466)	2.6
Office of Operations	1,406,583	929,361	264,636	105,850	106,736	8.0
County Administration	0	0	0	0	0	0.0
Division of Child Welfare	6,231,555	(3,500,156)	(1,381,462)	248,613	10,864,560	12.5
Division of Child Care	2,968,077	(13,545)	135,449	n/a	2,846,173	1.6
Office of Self Sufficiency	(12,638,963)	365,685	(13,294,572)	1,138	288,786	2.0
Mental Health and ADAD Services	1,218,107	73,461	978,352	91,156	75,138	(15.7)
Services for People with Disabilities	41,432,511	1,046,090	4,949,809	23,457,562	11,979,050	39.0
Adult Assistance Programs	14,255,564	(981,533)	15,166,589	10,371	60,137	0.0
Division of Youth Corrections	1,329,754	2,581,198	2,757	(1,268,321)	14,120	(1.8)
Total FY 2009-10 Long Bill Recommendation	\$2,179,427,509	\$677,751,916	\$350,521,179	\$450,028,263	\$701,126,151	5,578.5
S.B. 09-267 County share for residential child care facility placements	0	(4,028,564)	4,028,564	0	0	0.0
S.B. 09-269 Adjust Tobacco Settlement Moneys Allocation	(80,379)	0	(80,379)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,179,347,130	\$673,723,352	\$354,469,364	\$450,028,263	\$701,126,151	5,578.5
\$ Change from prior year	\$40,423,842	(\$5,275,941)	\$4,434,101	\$19,771,131	\$21,494,551	50.4
% Change from prior year	1.9%	(0.8)%	1.3%	4.6%	3.2%	0.9%

Recommendation Highlights:

Changes to FY 2008-09 Appropriations:

1. Adds \$11.1 million federal funds, continued in FY 2009-10, for the Child Care Assistance Program, based on increased federal Child Care Development Funds anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009.
2. Adds \$2.8 million cash funds in order to pay a federal Food Stamp sanction.
3. Refinances \$3.3 million General Fund for child welfare services with additional federal Title IV-E funds anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009. This refinance increases to \$3.9 million in FY 2009-10.
4. Increases the General Fund portion of the appropriation for the Mental Health Institutes by \$3.7 million, which reflects lower-than-anticipated revenue from other sources such as patient fees and fund transfers. This also reflects ongoing reimbursements to the federal government because of Medicare overpayments to the Institutes.
5. Reduces \$4.3 million General Fund for developmental disability program costs. This represents the portion of "hold harmless" funding, intended to assist providers in the transition to a new rate structure, that is not anticipated to be needed.

Recommendations for FY 2009-10 Appropriations:

1. Adds \$16.3 million, including \$7.5 million "net" General Fund, for new and annualized developmental disability community placements. This includes \$13.7 million to annualize developmental disability community placements added for six months in FY 2008-09 (305 residential and 228 supported living placements) and \$2.6 million for new placements added for six months in FY 2009-10 (57 adult residential and 37 adult supported living).
2. Adds \$15.2 million cash funds to the informational appropriation for the Old Age Pension cash assistance program.
3. Increases centrally-appropriated line items by \$6.2 million, including \$4.3 million "net" General Fund.
4. Adds \$4.4 million, including \$2.7 million "net" General Fund, for caseload increases within the child welfare system.
5. Reflects an additional \$4.0 million federal funds for vocational rehabilitation and independent living services for persons with disabilities, based on increases in the federal American Recovery and Reinvestment Act of 2009.
6. Reflects an additional \$3.7 million federal funds for early intervention services to assist infants and toddlers with developmental disabilities and delays, based on increases in the federal American Recovery and Reinvestment Act of 2009.

7. Adds \$3.3 million, including \$2.6 million General Fund, and 0.5 FTE for four new Functional Family Therapy programs intended to reduce child welfare out-of-home placement and youth corrections placement for high risk offenders ages 11-17.
8. Adds \$2.8 million federal funds for initiatives to improve the quality of child care, based on increased federal Child Care Development Funds anticipated to be received pursuant to the American Recovery and Reinvestment Act of 2009.
9. Adds \$1.6 million, including \$654,000 "net" General Fund, and 39.6 FTE to increase staffing intensity at the regional centers for people with developmental disabilities. This includes \$1.3 million and 30.4 FTE to annualize FY 2008-09 increases and \$323,000 and 9.2 FTE for staff to be hired in FY 2009-10.
10. Adds \$1.2 million, including \$767,000 General Fund, and 7.5 FTE for initiatives to improve state child welfare services. This includes \$881,000 and 3.0 FTE to improve training for child welfare workers and supervisors and \$339,000 and 4.5 FTE for increased state supervision of child welfare services. These amounts annualize to \$2.1 million and 15.0 FTE in FY 2010-11.
11. Adds \$870,000 to open the new High Security Forensic Institute in Pueblo.
12. Refinances cash funds and third-party revenue with \$3.3 million General Fund, due to lower than anticipated revenue and other accounting issues.
13. Refinances \$9.5 million General Fund for child welfare core services with \$9.5 million federal funds from the Temporary Assistance to Needy Families block grant.
14. Reduces by \$13.4 million, including \$9.5 million "net" General Fund, as a result of eliminating salary survey and pay for performance.
15. Removes \$13.3 million in one-time expenses associated with federal Food Stamp sanctions.
16. Removes \$10.1 million in one-time expenses associated with the Colorado Benefits Management System. This includes \$4.7 million in mandatory prior year federal reallocations, \$2.9 million for changes associated with the federal reauthorization of the Temporary Assistance for Needy Families program, and \$2.5 million for transition to a new support vendor.
17. Reduces vocational rehabilitation funding by \$5.0 million, including \$1.1 million General Fund, based on federal funds not anticipated to be received and General Fund revenue restrictions.
18. Reduces \$2.9 million due to the closure of the General Hospital at the Colorado Mental Health Institute - Pueblo.
19. Eliminates \$2.8 million cash funds for Excess Federal Title IV-E Reimbursements to counties not anticipated to be available.

JBC Budget Package Legislation:

County Share for Residential Child Care Facility Placements: Requires counties to pay 20 percent of residential child care facility placement costs for children in foster care effective January 1, 2010. Pursuant

to current statute, the county share of these costs during FY 2008-09 and FY 2009-10 was set at 10 percent; counties were to be responsible for a 20 percent share effective July 1, 2010. This bill moves this date forward to January 1, 2010.

Adjust Tobacco Settlement Moneys Allocation: See the explanation of this bill in the Department of Public Health and Environment.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, quality control, as well as some program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office includes funding for specific functions including: (1) the Juvenile Parole Board; (2) the Developmental Disabilities Council; (3) funding for the state to comply with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); (4) the child welfare administrative review unit; and (5) functions related to maintaining records and reports of child abuse and neglect and using such records to conduct employment/background screenings.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$71,600,193	\$39,933,966	\$2,146,664	\$17,989,512	\$11,530,051	145.8
Recommended Changes from FY 2008-09 Appropriation						
Centrally-appropriated line items	6,228,656	3,504,844	146,188	1,866,587	711,037	0.0
Annualize salary and benefits adjustments	507,375	206,231	29,471	70,908	200,765	0.0
Annualize FY 2008-09 hiring freeze	199,740	79,896	3,995	31,958	83,891	0.0
Administrative Review Unit	149,461	204,136	0	0	(54,675)	2.2
Postage increase	8,650	5,347	155	31	3,117	0.0
Eliminate salary survey and performance-based pay	(13,411,626)	(8,093,334)	(179,945)	(2,951,399)	(2,186,948)	0.0
Federal indirect cost adjustment:	(160,000)	0	0	(160,000)	0	0.0
Annualize prior year funding	(16,471)	1,045	(433)	(10,213)	(6,870)	0.0
Total FY 2009-10 JBC Recommendation	\$65,105,978	\$35,842,131	\$2,146,095	\$16,837,384	\$10,280,368	148.0
\$ Change from prior year	(\$6,494,215)	(\$4,091,835)	(\$569)	(\$1,152,128)	(\$1,249,683)	2.2
% Change from prior year	(9.1)%	(10.2)%	0.0%	(6.4)%	(10.8)%	1.5%

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, administrative law judge services, and payments to risk management and property funds.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Administrative Review Unit: The recommendation adds \$149,461, including \$132,433 General Fund, and 2.2 FTE to annualize a supplemental adjustment that added 3.0 FTE for the final quarter of the year. The FTE were added to address compliance with federal requirements for review of child out-of-home placements. The recommendation also includes a fund split adjustment that increases General Fund by \$71,703 and decreases federal funding by the same amount to more accurately reflect the State's ability to earn federal Title IV-E revenue for this program.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Federal indirect cost adjustment: The recommendation reduces the appropriation for Medicaid indirect costs, based on spending authority that was not being used.

Annualize prior year funding: The recommendation includes adjustments that annualize prior year special bills and budget actions.

Office of Information Technology Services: This section includes funding for expenses associated with departmental information systems, including systems that support public benefits programs administered through the State's 64 counties and other local entities. Appropriations in this section include personnel and operating funds that support information systems used by over 8,800 Department and county staff. Major systems funded through this section of the budget include the Colorado Benefits Management System (CBMS), the Colorado Financial Management System, and the Colorado Trails information system, among others.

Office of Information Technology Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$58,899,831	\$18,769,964	\$7,545,348	\$11,784,788	\$20,799,731	170.7
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	727,717	373,336	20,284	111,680	222,417	0.0
Postage increase	340,895	53,504	27,357	118,325	141,709	0.0
Annualize prior year funding	86,982	162,508	(17,886)	(26,071)	(31,569)	2.6
CBMS reallocation	0	2,334,899	(2,434,083)	(79,559)	178,743	0.0
Annualize prior year CBMS federal reallocations	(4,702,859)	0	(3,728,466)	(974,393)	0	0.0
Annualize CBMS TANF changes	(2,907,487)	(53,000)	(1,654)	(5,342)	(2,847,491)	0.0
Annualize CBMS new vendor transition	(2,500,000)	(392,375)	(200,625)	(867,750)	(1,039,250)	0.0
Reduce Colorado Trails contract staff	(250,000)	(134,975)	0	0	(115,025)	0.0
Total FY 2009-10 JBC Recommendation	\$49,695,079	\$21,113,861	\$1,210,275	\$10,061,678	\$17,309,265	173.3
\$ Change from prior year	(\$9,204,752)	\$2,343,897	(\$6,335,073)	(\$1,723,110)	(\$3,490,466)	2.6
% Change from prior year	(15.6)%	12.5%	(84.0)%	(14.6)%	(16.8)%	1.5%

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize prior year funding: The recommendation includes annualization of prior year funding. This includes the addition of IT support staff, and removal of one-time CBMS expenses associated with eligibility and benefits changes made in special bills.

CBMS reallocation: The recommendation includes a reallocation of CBMS expenses between state and federal sources using a new funding formula. Pursuant to federal rules, the state share of CBMS expenses has increased, including the General Fund portion.

Annualize prior year CBMS federal reallocations: The recommendation removes one-time expenses associated with reallocation of CBMS funding with the State's federal partners for prior fiscal years. Such reallocations were required under federal rules, are based on measured usage of the system, and resulted in an increased state share of the CBMS operating expenses. The increased state share was paid from the Supplemental and Overexpenditures Account in the Tobacco Litigation Settlement Fund.

Annualize CBMS TANF changes: The recommendation removes prior year expenses for CBMS changes associated with rule changes made by the federal reauthorization of the Temporary Assistance for Needy Families program.

Annualize CBMS new vendor transition: The recommendation removes one-time funding associated with the transition of CBMS support to a new vendor.

Reduce Colorado Trails contract staff: The recommendation includes a reduction of \$250,000 to reflect a reduction in the contract support staff for the Colorado Trails system.

Office of Operations: This section contains appropriations for various central departmental functions including accounting, auditing, contracting, purchasing, vehicle leases, and facilities management. This includes housekeeping and maintenance for direct-service facilities such as the mental health institutes, regional centers for persons with developmental disabilities, and youth corrections facilities.

Office of Operations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$40,130,725	\$20,585,803	\$2,460,135	\$12,679,015	\$4,405,772	462.7
Long Bill Supplemental	<u>445,504</u>	<u>445,504</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FY 2008-09 Adjusted Appropriation	\$40,576,229	\$21,031,307	\$2,460,135	\$12,679,015	\$4,405,772	462.7
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
Annualize salary and benefits adjustments	1,003,468	475,557	31,974	417,406	78,531	0.0
Annualize prior year funding	451,434	451,434	0	0	0	9.5
Operating increases	331,851	330,138	44	1,537	132	0.0
Buildings and Grounds Fund increase	228,372	0	228,372	0	0	0.0
Centrally-appropriated line items	224,047	164,821	4,246	26,907	28,073	0.0
Annualize one-time supplemental	(445,504)	(445,504)	0	0	0	0.0
Medicaid indirect costs adjustment	(340,000)	0	0	(340,000)	0	0.0
Close CMHIP General Hospital	(47,085)	(47,085)	0	0	0	(1.5)
Total FY 2009-10 JBC Recommendation	\$41,982,812	\$21,960,668	\$2,724,771	\$12,784,865	\$4,512,508	470.7
\$ Change from prior year	\$1,406,583	\$929,361	\$264,636	\$105,850	\$106,736	8.0
% Change from prior year	3.5%	4.4%	10.8%	0.8%	2.4%	1.7%

Note: The reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Long Bill Supplemental: The recommendation includes an increase of \$445,504 for utilities, due to an FY 2007-08 utilities overexpenditure and associated FY 2008-09 spending restriction.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year funding: The recommendation includes \$493,730 and 10.5 FTE to annualize funding for a new high intensity forensics facility that opened at the end of FY 2008-09. This increase is partially offset by a reduction of \$40,596 and 1.0 FTE associated with food preparation efficiencies and a reduction of \$1,700 associated with H.B. 08-1047.

Operating increases: The recommendation includes an increase of \$327,459 for capital outlay and operating costs associated with maintenance of the Department's direct care facilities. It also includes an increase of \$4,392 for postage and mail handling.

Buildings and Grounds Fund increase: The recommendation increases spending authority from reserves and rental income for maintenance of buildings on Human Services' campuses. The Department rents surplus facilities to compatible organizations. Rental income supports associated operating and maintenance costs.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for vehicle leases (an increase of \$205,313, including replacement of 51 vehicles, addition of 4 new vehicles, and other common policy adjustments) and capitol complex leased space (an increase of \$18,734).

Annualize one-time supplemental: The recommendation removes a one-time FY 2008-09 increase for utilities.

Medicaid indirect costs adjustment: The recommendation reduces the appropriation for Medicaid indirect costs, based on spending authority that was not being used.

Close CMHIP General Hospital: The recommendation reduces funding and FTE in the Office of Operations for housekeeping and maintenance staff, related to the closure of the general hospital at the Colorado Mental Health Institute at Pueblo.

County Administration: This section contains appropriations for 64 county departments of social services to administer several programs including: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Administration for the Colorado Works Program, child welfare, and child care programs, however, are included in the respective sections for these programs.

County Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$66,165,211	\$25,880,593	\$18,754,752	\$0	\$21,529,866	0.0
Recommended Changes from FY 2008-09 Appropriation						
No changes	0	0	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$66,165,211	\$25,880,593	\$18,754,752	\$0	\$21,529,866	0.0
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	0.0%	n/a	0.0%	n/a

Issue Descriptions

No Changes: The recommendation does not contain any changes for this division.

Division of Child Welfare: This section provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. In FY 2007-08, county departments of social services received approximately 74,807 reports of abuse or neglect and provided child welfare services to approximately 42,000 children and their families.

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$419,328,194	\$220,347,049	\$71,756,627	\$18,635,914	\$108,588,604	37.5
Long Bill Supplemental	<u>(40,000)</u>	<u>(3,375,847)</u>	<u>0</u>	<u>0</u>	<u>3,335,847</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$419,288,194	\$216,971,202	\$71,756,627	\$18,635,914	\$111,924,451	37.5
Recommended Changes from FY 2008-09 Adjusted Appropriation						
Population increase	4,413,972	2,527,611	779,396	238,722	868,243	0.0
Functional Family Therapy	3,281,941	2,632,599	649,342	0	0	0.5
Child welfare training academy	880,718	496,325	0	0	384,393	3.0
Child welfare staffing increase	338,673	270,938	0	0	67,735	4.5
Improve Title IV-E claiming	321,250	321,250	0	0	0	0.0
Annualize salary and benefits adjustments	135,597	79,454	0	6,865	49,278	0.0
Annualize FY 2008-09 hiring freeze	53,282	33,445	0	3,026	16,811	0.0
Annualize one-time reduction	40,000	40,000	0	0	0	0.0
Title IV-E revenue projection	0	597,230	0	0	(597,230)	0.0
Refinance Core Services with TANF	0	(9,500,000)	0	0	9,500,000	0.0
Annualize Title IV-E FMAP adjustment	0	(575,290)	0	0	575,290	0.0
Eliminate appropriation for excess federal Title IV-E reimbursements	(2,800,000)	0	(2,800,000)	0	0	0.0

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(436,267)	(426,067)	(10,200)	0	0	0.5
Other	2,389	2,349	0	0	40	4.0
Total FY 2009-10 JBC Recommendation	\$425,519,749	\$213,471,046	\$70,375,165	\$18,884,527	\$122,789,011	50.0
\$ Change from prior year	\$6,231,555	(\$3,500,156)	(\$1,381,462)	\$248,613	\$10,864,560	12.5
% Change from prior year	1.5%	(1.6)%	(1.9)%	1.3%	9.7%	33.3%

Note: Reappropriated Funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Long Bill Supplemental: The recommendation includes a reduction of \$3,335,849 General Fund and a matching increase in federal Title IV-E funds due to an increase in the federal match rate for Title IV-E (FMAP) from 50 percent to 56.2 percent for the last three quarters of FY 2008-09. This adjustment is pursuant to the federal American Recovery and Reinvestment Act of 2009. The recommendation also includes a one-time reduction of \$40,000 General Fund for child welfare administration due to delays in hiring new staff.

Population increase: The recommendation includes an increase of 1.3 percent for child welfare services to fund growth in the child and adolescent population (ages 0-17). Increases are allocated to each county.

Functional Family Therapy: The recommendation includes funding for four new Functional Family Therapy programs, and 0.5 FTE for oversight, intended to reduce child welfare out-of-home placement and youth corrections placement for high risk offenders ages 11-17. The programs are expected to serve 480 youth per year.

Child welfare training academy: The recommendation adds funding associated with an increase in the number and length of training sessions provided for county child welfare workers and supervisors and a new on-the-job training component. Training sessions are provided through contracts with area colleges and universities; department staff will oversee on-the-job training in collaboration with counties. Most of the increase is for six months in FY 2009-10; costs annualize to \$1,564,478 in FY 2010-11.

Child welfare staffing increase: The recommendation adds funding for new child welfare staff, based on preliminary results of a department organizational assessment. The recommendation adds 4.0 FTE to oversee county child protection efforts, 2.0 FTE to oversee and promote programs to improve permanency of child placements, and 3.0 FTE for state child welfare leadership, including a child welfare deputy director, a grants manager, and a performance improvement manager. Funding is for six months in FY 2009-10 and annualizes to \$583,242 and 9.0 FTE in FY 2010-11.

Improve Title IV-E claiming: The recommendation adds funds to implement administrative claiming for federal Title IV-E funds for child placement agencies. Once fully implemented in FY 2010-11, the program is expected to increase federal Title IV-E receipts by \$758,000.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases

are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize one-time reduction: The recommendation restores a one-time FY 2008-09 reduction associated with delays in hiring new staff.

Title IV-E revenue projection: The recommendation reflects an increase in General Fund required and a decrease in federal funds to be received, based on trends in the State's ability to earn federal Title IV-E reimbursement for child out-of-home room and board costs and administrative oversight. The adjustment includes partially annualizing a \$1.5 million FY 2008-09 refinance of General Fund with Title IV-E (\$445,747 reversed for FY 2009-10) and an adjustment of \$151,483 to more accurately reflect Title IV-E earning for state child welfare administration.

Refinance Core Services with TANF: The recommendation reflects refinancing \$9.5 million General Fund for Family and Children's Programs (also known as child welfare core services) with federal Temporary Assistance to Needy Families (TANF) block grant funds.

Annualize Title IV-E FMAP adjustment: The recommendation reflects an increase in the federal match rate for Title IV-E (FMAP) from 50 percent to 56.2 percent for four quarters in FY 2009-10, allowing a General Fund reduction of \$3,911,137 (\$575,290 more than the FY 2008-09 reduction). This adjustment is pursuant to the federal American Recovery and Reinvestment Act of 2009.

Eliminate appropriation for excess federal Title IV-E reimbursements: The recommendation reflects eliminating a line item for excess federal Title IV-E reimbursements allocated to counties. Based on projected federal Title IV-E revenues and appropriations for FY 2008-09, there are not anticipated to be sufficient excess federal funds collected to support this appropriation in FY 2009-10.

Annualize prior year funding: The recommendation reflects adjustments associated with prior year actions. This includes a reduction of \$350,000 General Fund to eliminate a one-time appropriation for the Child Welfare Action Committee (H.B. 08-1404), a reduction of \$90,000 General Fund for one-time studies funded in FY 2008-09, and a reduction of \$10,200 cash funds to annualize appropriations in H.B. 08-1005. These decreases are partially offset by an increase of \$13,933 General Fund and 0.5 FTE to annualize funding for new child welfare staff added in FY 2008-09.

Other: The recommendation includes an increase for postage and mail handling and an increase of 4.0 FTE to more accurately reflect federally-funded staff in this division.

Division of Child Care: This section provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. Cash funds amounts reflect expenditures by counties and fees and fines associated with the licensing of child care facilities. Federal funds primarily

reflect Child Care Development Funds, which the General Assembly has authority to appropriate, pursuant to federal law.

Division of Child Care	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$91,170,172	\$18,791,669	\$9,951,299	\$0	\$62,427,204	67.5
Long Bill Supplemental	<u>11,064,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,064,462</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$102,234,634	\$18,791,669	\$9,951,299	\$0	\$73,491,666	67.5
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
Add funds to improve child care quality based on federal stimulus	2,805,077	0	0	0	2,805,077	0.0
Annualize salary and benefits adjustments	210,339	101,638	29,295	0	79,406	0.0
Reflect anticipated reserve expenditure	14,000	0	14,000	0	0	0.0
Operating adjustments	9,375	0	0	0	9,375	0.0
Child care licensing refinance	0	(110,000)	110,000	0	0	0.0
CHATS system rebuild	0	0	0	0	0	0.0
Annualize prior year funding	(52,868)	(5,183)	0	0	(47,685)	0.0
Reallocate funds to add staff	(17,846)	0	(17,846)	0	0	1.6
Total FY 2009-10 JBC Recommendation	\$105,202,711	\$18,778,124	\$10,086,748	\$0	\$76,337,839	69.1
\$ Change from prior year	\$2,968,077	(\$13,545)	\$135,449	\$0	\$2,846,173	1.6
% Change from prior year	2.9%	(0.1)%	1.4%	n/a	3.9%	2.4%

Issue Descriptions

Long Bill Supplemental: The recommendation includes an increase for the Child Care Assistance Program (child care subsidies) based on funds anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009. This increase is continued in FY 2009-10.

Add funds to improve child care quality based on federal stimulus: The recommendation includes a one-time increase in grants to improve the quality and availability of child care and to comply with federal requirements for targeting funds, based on amounts anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Reflect anticipated reserve expenditure: The recommendation reflects an anticipated increase in expenditure from reserves, based on fines assessed against child care providers in prior years.

Operating adjustments: The recommendation includes an increase for postage and mail handling.

Child care licensing refinance: The recommendation includes a one-time refinance of General Fund with child care licensing fees, based on amounts in reserve.

CHATS system rebuild: The recommendation includes \$103,246 for operating costs associated with the rebuild of the Child Care Automated Tracking System (CHATS). This amount is reallocated from the Child Care Assistance Program line item. The CHATS system supports the Department and counties in managing child care subsidies. A total of \$14.7 million for the rebuild is included in the capital construction budget for FY 2007-08; the project is to be completed in FY 2010-11.

Annualize prior year funding: The recommendation eliminates \$47,685 federal funds appropriated in FY 2008-09 associated with the CHATS system rebuild and includes a reduction of \$5,183 to annualize funds added pursuant to H.B. 08-1388.

Reallocate funds to add staff: The recommendation increases funding for administration of the Child Care Assistance Program (CCAP) by \$129,293 federal funds and 1.6 FTE, annualizing to \$158,178 and 2.0 FTE in FY 2009-10. The additional staff will provide fiscal and programmatic oversight of county CCAP administrative activities and will help ensure compliance with federal requirements to reduce improper payments. The increase is associated with a reduction in funding for the CCAP line item of \$129,293 federal funds and \$17,846 cash funds (county share of CCAP costs).

Office of Self Sufficiency: This section includes appropriations for various cash assistance programs, including the Colorado Works, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs.

Office of Self Sufficiency	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$354,729,416	\$6,810,331	\$35,714,074	\$2,183,460	\$310,021,551	286.3
Long Bill Supplemental	<u>2,843,859</u>	<u>(405,504)</u>	<u>2,843,859</u>	<u>0</u>	<u>405,504</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$357,573,275	\$6,404,827	\$38,557,933	\$2,183,460	\$310,427,055	286.3
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
Administration	(13,027,063)	167,561	(13,306,759)	0	112,135	0.0
Colorado Works Program	(651,864)	0	272	0	(652,136)	0.0
Special Purpose Welfare Programs	236,911	76,811	11,915	1,138	147,047	2.0
Child Support Enforcement	356,800	121,313	0	0	235,487	0.0
Disability Determination Services	446,253	0	0	0	446,253	0.0
Total FY 2009-10 JBC Recommendation	\$344,934,312	\$6,770,512	\$25,263,361	\$2,184,598	\$310,715,841	288.3
\$ Change from prior year	(\$12,638,963)	\$365,685	(\$13,294,572)	\$1,138	\$288,786	2.0
% Change from prior year	(3.5)%	5.7%	(34.5)%	0.1%	0.1%	0.7%

Subsection Detail

Administration: This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs.

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$12,014,662	\$631,401	\$10,462,900	\$0	\$920,361	22.0
Long Bill Supplemental	<u>2,843,859</u>	<u>0</u>	<u>2,843,859</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$14,858,521	\$631,401	\$13,306,759	\$0	\$920,361	22.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize FY 2008-09 hiring freeze	172,942	86,471	0	0	86,471	0.0
Annualize salary and benefits adjustments	80,613	80,613	0	0	0	0.0
Destroy obsolete forms	25,460	0	0	0	25,460	0.0
Other	681	477	0	0	204	0.0
Eliminate one-time funding	(13,306,759)	0	(13,306,759)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,831,458	\$798,962	\$0	\$0	\$1,032,496	22.0
\$ Change from prior year	(\$13,027,063)	\$167,561	(\$13,306,759)	\$0	\$112,135	0.0
% Change from prior year	(87.7)%	26.5%	(100.0)%	n/a	12.2%	0.0%

Issue Descriptions

Long Bill Supplemental: The recommendation includes a one-time increase of \$2,843,859 cash funds to settle a Food Stamp sanction imposed by the federal government.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Destroy obsolete forms: The recommendation includes funding to allow the destruction of obsolete forms currently stored in the State's forms warehouse. The funding will reimburse the Department of Personnel and Administration for the initial costs of printing the forms.

Other: The recommendation includes other minor adjustments to the budget.

Eliminate one-time funding: The recommendation removes one-time funding for payment of federal Food Stamp sanctions associated with problems during the early operation of the Colorado Benefits Management System.

Colorado Works Program: This subsection of the Office of Self Sufficiency provides funding and spending authority associated with the Colorado Works Program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children.

<i>Colorado Works Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$268,135,020	\$627,726	\$23,153,744	\$0	\$244,353,550	23.0
Long Bill Supplemental	<u>0</u>	<u>(405,504)</u>	<u>0</u>	<u>0</u>	<u>405,504</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$268,135,020	\$222,222	\$23,153,744	\$0	\$244,759,054	23.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	71,425	0	0	0	71,425	0.0
Eliminate one-time funding	0	405,504	0	0	(405,504)	0.0
Remove General Fund from county block grants	(405,504)	(405,504)	0	0	0	0.0
Annualize prior year funding	(168,400)	0	0	0	(168,400)	0.0
Colorado Works program evaluation	(150,000)	0	0	0	(150,000)	0.0
Other	615	0	272	0	343	0.0
Total FY 2009-10 JBC Recommendation	\$267,483,156	\$222,222	\$23,154,016	\$0	\$244,106,918	23.0
\$ Change from prior year	(\$651,864)	\$0	\$272	\$0	(\$652,136)	0.0
% Change from prior year	(0.2)%	0.0%	0.0%	n/a	(0.3)%	0.0%

Issue Descriptions

Long Bill Supplemental: The recommendation includes a refinance of General Fund for the Colorado Works program with federal Temporary Assistance to Needy Families block grant funds.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Eliminate one-time funding: The recommendation removes a one-time refinancing of the General Fund component of the county block grants done in FY 2008-09.

Remove General Fund from county block grants: The recommendation removes the General Fund component of the county block grants for FY 2009-10.

Annualize prior year funding: The recommendation includes a reduction for annualization of S.B. 08-177.

Colorado Works program evaluation: The recommendation includes a reduction of \$150,000 for the ongoing Colorado Works program evaluation. The previous evaluation program was authorized in statute, required the involvement of external parties, and expires at the end of FY 2008-09. The Department will conduct internal evaluations in the future.

Other: The recommendation includes other small adjustments.

Special Purpose Welfare Programs: This subsection of the Office of Self Sufficiency contains appropriations for cash assistance programs for specific purposes, such as energy assistance, food stamp job search, food distribution, telephone assistance, income tax offset, and refugee assistance. This section also contains funding for Systematic Alien Verification for Eligibility (SAVE) and the electronic benefits transfer service (EBTS).

<i>Special Purpose Welfare Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$43,953,411	\$1,134,091	\$1,670,931	\$2,183,460	\$38,964,929	36.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Establish EBT fraud detection unit	112,981	54,318	0	0	58,663	2.0
Annualize salary and benefits adjustments	90,322	22,399	11,660	1,138	55,125	0.0
Postage increase	33,608	94	255	0	33,259	0.0
Total FY 2009-10 JBC Recommendation	\$44,190,322	\$1,210,902	\$1,682,846	\$2,184,598	\$39,111,976	38.4
\$ Change from prior year	\$236,911	\$76,811	\$11,915	\$1,138	\$147,047	2.0
% Change from prior year	0.5%	6.8%	0.7%	0.1%	0.4%	5.5%

Issue Descriptions

Establish EBT fraud detection unit: The recommendation includes \$113,000 in funding to allow the Department to establish a state-level fraud detection unit for the Electronic Benefits Transfer service, to correct a deficiency identified by a federal audit.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Child Support Enforcement: This subsection of the Office of Self Sufficiency contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads, track collection efforts, and several administrative programs.

<i>Child Support Enforcement</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$13,417,889	\$4,417,113	\$426,499	\$0	\$8,574,277	64.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	222,013	75,485	0	0	146,528	0.0

<i>Child Support Enforcement</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize FY 2008-09 hiring freeze	112,884	38,381	0	0	74,503	0.0
Postage increase	21,903	7,447	0	0	14,456	0.0
Total FY 2009-10 JBC Recommendation	\$13,774,689	\$4,538,426	\$426,499	\$0	\$8,809,764	64.4
\$ Change from prior year	\$356,800	\$121,313	\$0	\$0	\$235,487	0.0
% Change from prior year	2.7%	2.7%	0.0%	n/a	2.7%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Disability Determination Services: This subsection of the Office of Self Sufficiency provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs.

<i>Disability Determination Services</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$17,208,434	\$0	\$0	\$0	\$17,208,434	140.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	445,531	0	0	0	445,531	0.0
Postage increase	722	0	0	0	722	0.0
Total FY 2009-10 JBC Recommendation	\$17,654,687	\$0	\$0	\$0	\$17,654,687	140.5
\$ Change from prior year	\$446,253	\$0	\$0	\$0	\$446,253	0.0
% Change from prior year	2.6%	n/a	n/a	n/a	2.6%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Mental Health and Alcohol and Drug Abuse Services: This section includes mental health community programs, the mental health institutes, alcohol and drug abuse programs, and funds for the central administration of these programs.

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$225,744,890	\$135,116,047	\$20,235,081	\$12,641,131	\$57,752,631	1,395.9
Long Bill Supplemental	<u>1,522,643</u>	<u>4,728,690</u>	<u>(2,749,236)</u>	<u>(456,811)</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$227,267,533	\$139,844,737	\$17,485,845	\$12,184,320	\$57,752,631	1,395.9
Recommended Changes from FY 2008-09 Appropriation						
Administration	183,444	85,917	0	23,774	73,753	0.2
Mental Health Community Programs	120,382	(10,000)	130,382	0	0	0.0
Mental Health Institutes	129,158	(5,938)	503,877	(368,781)	0	(16.6)
Alcohol and Drug Abuse Division	785,123	3,482	344,093	436,163	1,385	0.7
Total FY 2009-10 JBC Recommendation	\$228,485,640	\$139,918,198	\$18,464,197	\$12,275,476	\$57,827,769	1,380.2
\$ Change from prior year	\$1,218,107	\$73,461	\$978,352	\$91,156	\$75,138	(15.7)
% Change from prior year	0.5%	0.1%	5.6%	0.7%	0.1%	(1.1)%

Subsection Detail

Administration: This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for the central administration of mental health and alcohol and drug abuse services for adults and children. It also includes funding for federal housing programs for low-income and indigent persons who require specialized care.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$24,842,384	\$911,464	\$247,380	\$325,199	\$23,358,341	55.2
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	164,530	68,734	0	23,774	72,022	0.0
Annualize prior year supplemental	16,254	16,254	0	0	0	0.2
Postage rate increase	2,660	929	0	0	1,731	0.0
Total FY 2009-10 JBC Recommendation	\$25,025,828	\$997,381	\$247,380	\$348,973	\$23,432,094	55.4
\$ Change from prior year	\$183,444	\$85,917	\$0	\$23,774	\$73,753	0.2
% Change from prior year	0.7%	9.4%	0.0%	7.3%	0.3%	0.4%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year supplemental: The recommendation reinstates funds and FTE that were reduced for FY 2008-09.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel and Administration.

Mental Health Community Programs: This subsection includes funds for mental health services for the medically indigent population. The programs are primarily delivered through the State's 17 community mental health centers, and serve over 10,000 people. The Department of Human Services primarily reflects funding for medically indigent persons (those who are not eligible for Medicaid).

<i>Mental Health Community Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$53,080,228	\$41,118,170	\$5,447,355	\$281,134	\$6,233,569	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Increase in tobacco litigation settlement dollars revenue	91,151	0	91,151	0	0	0.0
Reflect local fund match for Family Advocacy Demonstration Sites	39,231	0	39,231	0	0	0.0
Eliminate forensic community-based flexible funds	(10,000)	(10,000)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$53,200,610	\$41,108,170	\$5,577,737	\$281,134	\$6,233,569	0.0
\$ Change from prior year	\$120,382	(\$10,000)	\$130,382	\$0	\$0	0.0
% Change from prior year	0.2%	0.0%	2.4%	0.0%	0.0%	n/a

Issue Descriptions

Increase in tobacco litigation settlement dollars revenue: The recommendation reflects an increase in the amount of tobacco litigation settlement dollars that the State anticipates to receive for FY 2009-10. The amount appropriated to mental health programs is determined by statute.

Reflect local fund match for Family Advocacy Demonstration Sites: The recommendation includes the matching local fund portion of the Family Advocacy Demonstration Sites program in the Long Bill. The 20.0 percent local fund match is statutorily required, and the funds are reflected for informational purposes only. This recommendation does not impact the State's portion of the appropriation.

Eliminate forensic community-based flexible funds: The recommendation eliminates the remaining forensic community-based services flexible funds. The majority of the funds were eliminated during FY 2008-09.

Mental Health Institutes: The State provides inpatient mental health services at its two mental health institutes, located in Pueblo and at Fort Logan in Denver. There are a total of 631 beds between the two institutes. During FY 2008-09, the mental health institute in Pueblo anticipates an average daily census of 418, and the institute at Ft. Logan anticipates an average daily census of 143. The Institutes subsection also includes funds for the State's Institute for Forensic Psychology, which treats individuals who are considered to be incompetent to proceed at trial or who have been adjudicated not guilty by reason of insanity.

<i>Mental Health Institutes</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$98,638,665	\$77,986,080	\$10,741,590	\$9,910,995	\$0	1,310.6
Long Bill supplemental	<u>925,293</u>	<u>4,728,690</u>	<u>(2,749,236)</u>	<u>(1,054,161)</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$99,563,958	\$82,714,770	\$7,992,354	\$8,856,834	\$0	1,310.6
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	3,274,124	3,274,124	0	0	0	0.0
Annualize opening new High Security Forensic Institute	871,632	871,632	0	0	0	17.6
Annualize FY 2008-09 hiring freeze	243,252	243,252	0	0	0	0.0
Annualize nurse compression pay	89,672	89,672	0	0	0	0.0
Capital outlay	61,650	61,650	0	0	0	0.0
Postage rate increase	3,064	3,064	0	0	0	0.0
Close CMHIP's General Hospital	(2,992,082)	(1,854,874)	(145,251)	(991,957)	0	(34.2)
Annualize prior year funding	(1,044,319)	(1,044,319)	0	0	0	0.0
Revenue adjustment	(377,835)	(1,650,139)	649,128	623,176	0	0.0
Total FY 2009-10 JBC Recommendation	\$99,693,116	\$82,708,832	\$8,496,231	\$8,488,053	\$0	1,294.0
\$ Change from prior year	\$129,158	(\$5,938)	\$503,877	(\$368,781)	\$0	(16.6)
% Change from prior year	0.1%	0.0%	6.3%	(4.2)%	n/a	(1.3)%

Issue Descriptions

Long Bill supplemental: The recommendation reflects mid-year revenue adjustments at the mental health institutes, based upon updated projections. It also increases the General Fund portion of the appropriation to backfill for refunds to the federal government due to Medicare overpayments.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize opening new High Security Forensic Institute: The recommendation annualizes costs associated with opening the new 200-bed High Security Forensic Institute at the Colorado Mental Health Institute - Pueblo.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize nurse compression pay: The recommendation annualizes nurse compression pay that the mental health institutes received in FY 2008-09. The annualized amount accounts for the pay date shift.

Capital outlay: The recommendation increases funds for capital outlay at the mental health institutes. These are for small pieces of equipment that cost between \$5,000 and \$50,000, such as panic alarms and an EEG machine.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel and Administration.

Close CMHIP's General Hospital: The recommendation closes the Colorado Mental Health Institute at Pueblo's General Hospital, effective November 1, 2009. The savings annualizes to \$3.1 million General Fund for FY 2010-11.

Annualize prior year funding: The recommendation annualizes funds that were appropriated to the Department for FY 2008-09 to reimburse the federal government for Medicare overpayments.

Revenue adjustment: The recommendation reflects an adjustment for the amounts of cash and reappropriated fund revenue that the mental health institutes anticipate to receive for FY 2009-10. The Department projects reduced revenue from sources such as Medicare, Medicaid, and transfers from other state departments. The Institutes receive General Fund to offset the decreased revenue from other sources for FY 2009-10.

Alcohol and Drug Abuse Division: This subsection contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed service organizations, each of which is responsible for managing the services delivery in certain geographic areas of the State.

<i>Alcohol and Drug Abuse Division</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$49,183,613	\$15,100,333	\$3,798,756	\$2,123,803	\$28,160,721	30.1
Long Bill supplemental	<u>597,350</u>	<u>0</u>	<u>0</u>	<u>597,350</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$49,780,963	\$15,100,333	\$3,798,756	\$2,721,153	\$28,160,721	30.1
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
High Risk Pregnant Women program	428,897	0	0	428,897	0	0.0
Outpatient substance use treatment	250,000	0	250,000	0	0	0.0
Annualize salary and benefits adjustments	114,143	114,143	0	0	0	0.0

<i>Alcohol and Drug Abuse Division</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Persistent Drunk Driver program data collection	71,706	0	71,706	0	0	0.0
Projected tobacco litigation settlement dollars for substance use treatment	22,387	0	22,387	0	0	0.0
Annualize prior year legislation	7,266	0	0	7,266	0	0.0
Postage rate increase	1,385	0	0	0	1,385	0.0
FTE for contracts management	0	0	0	0	0	0.7
Provider performance monitoring system	(110,661)	(110,661)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$50,566,086	\$15,103,815	\$4,142,849	\$3,157,316	\$28,162,106	30.8
\$ Change from prior year	\$785,123	\$3,482	\$344,093	\$436,163	\$1,385	0.7
% Change from prior year	1.6%	0.0%	9.1%	16.0%	0.0%	2.3%

Issue Descriptions

Long Bill supplemental: The recommendation increases expenditures for the High Risk Pregnant Women program for FY 2008-09. This is a Medicaid entitlement program and its expenditures are primarily driven by caseload.

High Risk Pregnant Women program: The recommendation increases funds to reflect the program's expanded use. It is a Medicaid-funded program, and must serve all eligible women who request services.

Outpatient substance use treatment: The recommendation increases funds for outpatient substance abuse treatment programs for offenders.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Persistent Drunk Driver program data collection: The recommendation increases funds to support data collection and to expand public education programs about drunk driving.

Projected tobacco litigation settlement dollars for substance use treatment: The recommendation reflects an increase in the amount of tobacco litigation settlement dollars that the State anticipates to receive for FY 2009-10. The amount appropriated to substance abuse prevention and treatment programs is determined by statute.

Annualize prior year legislation: The recommendation reflects the FY 2009-10 impact of H.B. 08-1314.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel and Administration.

FTE for contracts management: The recommendation adds 0.7 FTE to administer contracts for community providers.

Provider performance monitoring system: The recommendation reflects a decrease for the project's fourth year.

Services for People with Disabilities: This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

Services for People with Disabilities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$512,462,351	\$38,958,055	\$77,175,541	\$345,165,587	\$51,163,168	1,923.4
Long Bill Supplemental	<u>3,787,340</u>	<u>(1,112,848)</u>	<u>0</u>	<u>4,900,188</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$516,249,691	\$37,845,207	\$77,175,541	\$350,065,775	\$51,163,168	1,923.4
Recommended Changes from FY 2008-09 Appropriation						
Community Services for People with Developmental Disabilities	33,483,296	4,353,412	2,008,934	23,542,954	3,577,996	1.2
Regional Centers for People with Developmental Disabilities	(4,059,539)	(3,534,151)	(400,840)	(124,548)	0	39.6
Work Therapy Program	2,527	0	2,527	0	0	0.0
Division of Vocational Rehabilitation	7,100,161	226,829	(487,544)	39,156	7,321,720	(1.8)
Homelake Domiciliary and State and Veterans Nursing Homes	4,906,066	0	3,826,732	0	1,079,334	0.0
Total FY 2009-10 JBC Recommendation	\$557,682,202	\$38,891,297	\$82,125,350	\$373,523,337	\$63,142,218	1,962.4
\$ Change from prior year	\$41,432,511	\$1,046,090	\$4,949,809	\$23,457,562	\$11,979,050	39.0
% Change from prior year	8.0%	2.8%	6.4%	6.7%	23.4%	2.0%

Subsection Detail

Community Services for People with Developmental Disabilities: This section includes all funding associated with community-based services available to adults and children with developmental disabilities. Twenty Community Centered Boards (CCBs) located throughout the state provide case management and much of the direct services for about 12,000 Coloradans with developmental disabilities. This includes "comprehensive" (24-hour residential care), and supported living services (day-time care and employment support) for adults with developmental disabilities, early intervention services for infants and toddlers, children's extensive support services for children with intensive in-home supervision needs, and family support services (flexible assistance to families caring for a child with a developmental disability). The majority of funding supports adult residential care.

<i>Community Services for People with Developmental Disabilities</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$363,906,343	\$31,856,059	\$31,189,926	\$294,027,856	\$6,832,502	39.3
Long Bill Supplemental	<u>(4,339,881)</u>	<u>(4,339,881)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$359,566,462	\$27,516,178	\$31,189,926	\$294,027,856	\$6,832,502	39.3
Recommended Changes from FY 2008-09 Appropriation						
Annualize supplemental adjustments	15,490,423	4,339,881	792,794	10,357,748	0	0.0
Annualize new placements added for six months in FY 2008-09	13,699,489	0	1,040,890	12,658,599	0	0.0
Reflect additional federal funding for early intervention services	3,577,996	0	0	0	3,577,996	0.0
New adult residential and supported living placements for six months	2,581,957	0	208,250	2,373,707	0	0.0
Annualize salary and benefits adjustments	133,181	13,531	0	119,650	0	0.0
Annualize FY 08-09 hiring freeze	117,283			117,283		
Annualize prior year funding	50,430	0	(33,000)	83,430	0	1.2
Eliminate federally-matched Local Program Costs line item	(2,000,000)	0	0	(2,000,000)	0	0.0
Other	(167,463)	0	0	(167,463)	0	0.0
Total FY 2009-10 JBC Recommendation	\$393,049,758	\$31,869,590	\$33,198,860	\$317,570,810	\$10,410,498	40.5
\$ Change from prior year	\$33,483,296	\$4,353,412	\$2,008,934	\$23,542,954	\$3,577,996	1.2
% Change from prior year	9.3%	15.8%	6.4%	8.0%	52.4%	3.1%

Note: Most reappropriated funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Long Bill Supplemental: The recommendation includes a reduction based on "hold harmless" funding rolled forward from prior years that is not needed in FY 2008-09. A total of \$6.3 million was rolled forward from FY 2006-07 and FY 2007-08 to assist in the transition to a long-term rate structure for developmental disability programs in FY 2008-09. Only \$2.0 million of this amount is required for this purpose in FY 2008-09. As a result, the recommendation is to reduce the FY 2008-09 General Fund appropriation for developmental disability program costs by \$4.3 million General Fund and allow the roll-forward amounts to backfill.

Annualize supplemental adjustments: The recommendation includes annualization of the following FY 2008-09 mid-year adjustments to developmental disability program costs: (1) restore reduction of \$5,300,000 Medicaid reappropriated funds (reduction was based on federally required system changes and a rate structure that changed in FY 2008-09); (2) restore \$5,057,748 Medicaid reappropriated funds and \$4,339,881 General Fund that was cut in FY 2008-09 based on the availability of FY 2007-08 roll-forward funds; and (3) add \$792,794 client cash funds to annualize an increase for room and board costs from federal Supplemental Security Income payments (increase effective January 2009).

Annualize new placements added for six months in FY 2008-09: The recommendation annualizes 305 adult comprehensive placements and 228 adult supported living placements added for six months in FY 2008-09.

Reflect additional federal funding for early intervention services: The recommendation reflects additional federal funds anticipated to be received for services for infants and toddlers with disabilities and delays. The amount is based on 50 percent of the increase for Part C of the Individuals with Disabilities Education Act (IDEA) included in the federal American Recovery and Reinvestment Act of 2009.

New adult residential and supported living placements for six months: The recommendation expands placements for adults with developmental disabilities, adding comprehensive residential services for 57 adults and supported living services for 29 adults . The residential placements include 37 for individuals transitioning from foster care and 20 for individuals transitioning from the state-operated regional centers. The supported living placements are for individuals transitioning from the children's extensive support program. The amount shown is for six months and will annualize (double) in FY 2010-11.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation includes an increase of \$72,582 reappropriated funds and 1.2 FTE to annualize funding for S.B. 08-002, an increase of \$14,112 reappropriated funds to annualize funding for S.B. 08-004, a decrease of \$33,000 cash funds to annualize funding for H.B. 08-1246, and a decrease of \$3,264 associated with an FY 2008-09 budget adjustment.

Eliminate federally-matched Local Program Costs line item: The recommendation eliminates funding for a line item that facilitated the match of local mill levy funds with federal Medicaid funds. No counties are participating in this program at present.

Other: The recommendation includes a decrease of \$167,535 reappropriated funds based on under-utilization of an appropriation for screening out individuals with developmental disabilities from nursing home placement. This is slightly offset by an increase of \$72 reappropriated funds for postage and mail handling.

Regional Centers for People with Developmental Disabilities: This section contains appropriations for three regional centers operated by the Department for persons with developmental disabilities. Persons served by the regional centers in Wheat Ridge, Grand Junction, and Pueblo usually have multiple disabling conditions that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The regional centers are in the process of downsizing from 403 beds in FY 2007-08 and are anticipated to serve 329 persons by the end of FY 2009-10. The average annual cost per person served, including costs that are funded through other program areas within the Department and depreciation, is estimated to be \$182,750 in FY 2008-09. The reappropriated funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

<i>Regional Centers for People with Developmental Disabilities</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$49,224,333	\$395,127	\$2,691,276	\$46,137,930	\$0	956.2
Long Bill Supplemental	<u>8,127,221</u>	<u>3,227,033</u>	<u>0</u>	<u>4,900,188</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$57,351,554	\$3,622,160	\$2,691,276	\$51,038,118	\$0	956.2
Recommended Changes from FY 2008-09 Adjusted Appropriation						
Annualize salary and benefits adjustments	1,980,506	3,549	0	1,976,957	0	0.0
Annualize FY 08-09 staffing increase and licensure change	1,294,388	(310,667)	0	1,605,055	0	30.4
ICF/MR provider fee adjustment	1,113,380	0	0	1,113,380	0	0.0
Staffing increase	323,491	0	0	323,491	0	9.2
Capital outlay and operating increases	165,246	0	0	165,246	0	0.0
Annualize Long Bill supplemental	(8,127,221)	(3,227,033)	0	(4,900,188)	0	0.0
Penalty for late supplemental	(415,000)	0	0	(415,000)	0	0.0
Client cash adjustment	(266,940)	0	(400,840)	133,900	0	0.0
Leased space reduction	(127,389)	0	0	(127,389)	0	0.0
Total FY 2009-10 JBC Recommendation	\$53,292,015	\$88,009	\$2,290,436	\$50,913,570	\$0	995.8
\$ Change from prior year	(\$4,059,539)	(\$3,534,151)	(\$400,840)	(\$124,548)	\$0	39.6
% Change from prior year	(7.1)%	(97.6)%	(14.9)%	(0.2)%	n/a	4.1%

Issue Descriptions

Long Bill Supplemental: The recommendation includes a supplemental adjustment for prior year accounting errors and federal disallowances.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 staffing increase and licensure change: The recommendation annualizes funding and FTE added for part of the year in FY 2008-09. Funding was to improve staff-to-client ratios and facilitate the conversion of group homes at the Wheat Ridge Regional Center to licensure as intermediate care facilities for the mentally retarded (ICFs/MR).

ICF/MR provider fee adjustment: The recommendation will enable the regional centers to pay a 5.0 percent ICF/MR Medicaid provider fee. This adjustment results in General Fund savings in the Department of Health Care Policy and Financing.

Staffing increase: The recommendation, when annualized, adds funding for 10.0 FTE to further improve regional center staff-to-client ratios.

Capital outlay and operating increases: The recommendation adds \$164,250 reappropriated funds for capital outlay at regional center facilities, including costs to replace specialized equipment for individuals with disabilities. The recommendation also includes an increase of \$966 for postage and mail handling.

Annualize Long Bill supplemental: The recommendation annualizes (eliminates) a one-time supplemental adjustment for prior year accounting errors and federal disallowances.

Penalty for late supplemental: The recommendation includes a reduction associated with a supplemental request submitted almost three months after the January 1 deadline.

Client cash adjustment: The recommendation reduces the appropriation for the regional centers by \$266,940 for client cash that will not be received under Post-eligibility Treatment of Income (PETI). PETI payments, previously required from clients with income above 300 percent of the federal poverty level, have been eliminated under the State's current Medicaid comprehensive waiver. The recommendation also increases reappropriated funds by \$133,900 and decreases client cash based on projections of cash receipts.

Leased space reduction: The recommendation includes a reduction for leased space that will no longer be required due to downsizing of regional center facilities.

Work Therapy Program: This section appropriates Work Therapy Enterprise Funds for the mental health institute at Fort Logan and the Regional Centers for persons with developmental disabilities in Grand Junction, Pueblo, and Wheat Ridge. These funds support sheltered workshop programs for training and employment of clients. Revenue is derived from contracts with area businesses and organizations for work performed.

<i>Work Therapy Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$464,589	\$0	\$464,589	\$0	\$0	1.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	2,527	0	2,527	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
\$ Change from prior year	\$2,527	\$0	\$2,527	\$0	\$0	0.0
% Change from prior year	0.5%	n/a	0.5%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Division of Vocational Rehabilitation: This section contains appropriations to assist persons with physical and mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide through satellite offices, and associated educational and medical services are purchased for program

participants. In addition to providing vocational services, the Division assists persons with disabilities in living independently and integrating successfully into their communities. Most funding for the Division is based on a match of 78.7 percent federal vocational rehabilitation funds to 21.3 percent non-federal funds. Cash and reappropriated funds are from various local and government sources, including school districts.

<i>Division of Vocational Rehabilitation</i>	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$48,163,384	\$5,525,112	\$4,202,633	\$4,999,801	\$33,435,838	253.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize one-time reduction	6,300,000	0	0	0	6,300,000	0.0
Reflect federal stimulus funds anticipated to be received	4,023,768	0	0	0	4,023,768	0.0
Annualize salary and benefits adjustments	774,749	144,778	16,152	12,302	601,517	0.0
Annualize FY 08-09 hiring freeze	712,496	124,373	11,577	15,812	560,734	0.0
Traumatic Brain Injury Trust Fund	500,000	0	500,000	0	0	0.0
Postage increase	6,978	1,343	8	135	5,492	0.0
Annualize fund source adjustment	0	1,000,000	(1,000,000)	0	0	0.0
Reduce vocational rehabilitation funds based on ongoing federal grant	(4,977,684)	(1,060,247)	0	0	(3,917,437)	0.0
Reduce independent living funds based on ongoing federal grant	(123,198)	0	(15,281)	0	(107,917)	0.0
Annualize prior year staffing adjustments	(116,948)	16,582	0	10,907	(144,437)	(1.8)
Total FY 2009-10 JBC Recommendation	\$55,263,545	\$5,751,941	\$3,715,089	\$5,038,957	\$40,757,558	251.2
\$ Change from prior year	\$7,100,161	\$226,829	(\$487,544)	\$39,156	\$7,321,720	(1.8)
% Change from prior year	14.7%	4.1%	(11.6)%	0.8%	21.9%	(0.7)%

Issue Descriptions

Annualize one-time reduction: The recommendation restores a FY 2008-09 reduction that reflected federal vocational rehabilitation funds anticipated to be available for FY 2008-09.

Reflect federal stimulus funds anticipated to be received: The recommendation reflects the assumption that 50 percent of additional federal vocational rehabilitation and independent living funds to be received pursuant to the American Recovery and Reinvestment Act of 2009 will be spent in FY 2009-10. The recommendation includes reflecting \$3,653,522 in additional vocational rehabilitation funds, \$248,789 in additional older blind grants, and \$121,457 in additional state independent living grants.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Traumatic Brain Injury Trust Fund: The recommendation increases spending authority for programs supported by the Traumatic Brain Injury Trust Fund, including direct services for individuals with traumatic brain injuries, public education, and research on traumatic brain injuries.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize fund source adjustment: The recommendation reverses a one-time prior year adjustment that refinanced General Fund with cash fund reserves.

Reduce vocational rehabilitation funds based on ongoing federal grant: The recommendation reduces the General Fund and federal funds appropriation for vocational rehabilitation services, based on the size of the ongoing federal grant for vocational rehabilitation programs and state General Fund revenue constraints.

Reduce independent living funds based on ongoing federal grant: The recommendation includes a reduction to more accurately reflect the size of the ongoing federal grant for independent living programs.

Annualize prior year staffing adjustments: The recommendation includes a reduction of \$133,530 and 2.3 FTE to annualize the mid-year transfer of the disability navigator program to the Department of Labor and Employment and an increase of \$16,582 and 0.5 FTE to annualize funding added pursuant to S.B. 08-004.

Homelake Domiciliary and State and Veterans Nursing Homes: This section reflects funding for: (1) Homelake Domiciliary, a 46-bed group living facility which serves residents who do not require continuous nursing or medical care but who may need assistance with meals, housekeeping, personal care, laundry, and access to a physician; and (2) the six state nursing homes, five of which are classified as veterans nursing homes and are eligible for federal Veterans Administration support. Homelake Domiciliary and the State and Veterans Nursing Homes are enterprises that have been granted continuous spending authority; therefore, with the exception of any General Fund appropriations, amounts shown are for informational purposes only. Cash funds amounts reflect estimated resident payments for services; federal funds amounts reflect estimated U.S. Veteran's Administration per diem support.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$50,703,702	\$1,181,757	\$38,627,117	\$0	\$10,894,828	673.4
Recommended Changes from FY 2008-09 Appropriation						
Nursing home expense projection	4,906,066	0	3,826,732	0	1,079,334	0.0
Total FY 2009-10 JBC Recommendation	\$55,609,768	\$1,181,757	\$42,453,849	\$0	\$11,974,162	673.4
\$ Change from prior year	\$4,906,066	\$0	\$3,826,732	\$0	\$1,079,334	0.0
% Change from prior year	9.7%	0.0%	9.9%	n/a	9.9%	0.0%

Issue Descriptions

Nursing home expense projection: The recommendation includes an adjustment to the overall amount shown for state and veterans nursing home program costs, based on the homes' anticipated FY 2009-10 expenditures.

Adult Assistance Programs: This section includes funding for the Old Age Pension Program, for various adult cash assistance programs and for community services for the elderly, including Older Americans Act programs. Additional detail on funding changes in Adult Assistance Programs is reflected in the subsection tables and narratives below.

Adult Assistance Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$145,086,441	\$25,431,151	\$104,111,571	\$96,991	\$15,446,728	28.5
Recommended Changes from FY 2008-09 Appropriation						
Administration	56,757	10,316	0	10,371	36,070	0.0
Old Age Pension Program	15,166,589	0	15,166,589	0	0	0.0
Other Grant Programs	0	0	0	0	0	0.0
Community Services for the Elderly	(967,782)	(991,849)	0	0	24,067	0.0
Total FY 2009-10 JBC Recommendation	\$159,342,005	\$24,449,618	\$119,278,160	\$107,362	\$15,506,865	28.5
\$ Change from prior year	\$14,255,564	(\$981,533)	\$15,166,589	\$10,371	\$60,137	0.0
% Change from prior year	9.8%	(3.9)%	14.6%	10.7%	0.4%	0.0%

Subsection Detail

Administration: This subsection of Adult Assistance Programs includes funding and staffing for management of all programs within Adult Assistance and for oversight of programs within the Other Grant Programs subsection.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$537,028	\$94,638	\$0	\$95,191	\$347,199	6.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	28,398	4,998	0	5,026	18,374	0.0
Annualize salary and benefits adjustments	28,170	5,280	0	5,307	17,583	0.0
Other	189	38	0	38	113	0.0
Total FY 2009-10 JBC Recommendation	\$593,785	\$104,954	\$0	\$105,562	\$383,269	6.0
\$ Change from prior year	\$56,757	\$10,316	\$0	\$10,371	\$36,070	0.0
% Change from prior year	10.6%	10.9%	n/a	10.9%	10.4%	0.0%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes other minor adjustments to the budget.

Old Age Pension Program: This program, authorized by the State Constitution, provides cash assistance, up to a maximum of \$604 per person, per month (as of January 2005) to eligible individuals age 60 and older. Revenue for the Old Age Pension Fund is generated through 85 percent of license fees, liquor and excise taxes, and 100 percent of inheritance and incorporation taxes; revenues that are not utilized for the OAP Program "spill over" into the General Fund. As the earmarked revenues are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

<i>Old Age Pension Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$85,944,123	\$0	\$85,944,123	\$0	\$0	14.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Caseload and average payment increases	12,119,946	0	12,119,946	0	0	0.0
Annualize prior year adjustments	3,000,000	0	3,000,000	0	0	0.0
Annualize salary and benefits adjustments	46,415	0	46,415	0	0	0.0
Other	228	0	228	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$101,110,712	\$0	\$101,110,712	\$0	\$0	14.0
\$ Change from prior year	\$15,166,589	\$0	\$15,166,589	\$0	\$0	0.0
% Change from prior year	17.6%	n/a	17.6%	n/a	n/a	0.0%

Issue Descriptions

Caseload and average payment increases: The recommendation includes an increase for the forecast caseload and average payment. The Old Age Pension cash fund is continuously appropriated by the Constitution, and this information is shown for informational purposes only.

Annualize prior year adjustments: The recommendation annualizes the prior year adjustment for caseload and average payment increases.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases

are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes other minor adjustments to the budget.

Other Grant Programs: This subsection of Adult Assistance Programs contains appropriations for programs providing cash assistance to disabled individuals and individuals needing assistance with the activities of daily living.

<i>Other Grant Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
No changes	0	0	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	0.0%	n/a	n/a	n/a

Issue Descriptions

No Changes: The recommendation does not contain any changes for this subsection.

Community Services for the Elderly: This subsection of Adult Assistance Programs includes appropriations for programs associated with the Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging (AAA) located throughout the state. Services include: supportive services, senior centers, nutrition services, in-home services for persons above the eligibility thresholds for Medicaid, and disease prevention and health promotion services.

<i>Community Services for the Elderly</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$29,630,915	\$3,026,071	\$11,503,515	\$1,800	\$15,099,529	8.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	31,245	7,893	0	0	23,352	0.0
Reduce state funding for senior services	(1,000,000)	(1,000,000)	0	0	0	0.0
Other	973	258	0	0	715	0.0
Total FY 2009-10 JBC Recommendation	\$28,663,133	\$2,034,222	\$11,503,515	\$1,800	\$15,123,596	8.5
\$ Change from prior year	(\$967,782)	(\$991,849)	\$0	\$0	\$24,067	0.0
% Change from prior year	(3.3)%	(32.8)%	0.0%	0.0%	0.2%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Reduce state funding for senior services: The recommendation includes a \$1.0 million reduction in General Fund expenditures for state funding for senior services. This reduction is anticipated to be offset by an increase in funding in the federal stimulus package.

Other: The recommendation includes other minor adjustments to the budget.

Division of Youth Corrections: The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-94 grant program intended to divert juveniles from detention and commitment, or to reduce their length of stay. DYC maintains institutional centers and augments this capacity with contracts for community placements, secure placements, and detention placements.

Division of Youth Corrections	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$133,982,056	\$128,094,670	\$89,548	\$4,637,357	\$1,160,481	1,009.8
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	2,557,433	2,536,915	2,757	3,641	14,120	0.0
Annualize FY 2008-09 hiring freeze	399,735	399,735	0	0	0	0.0
Postage increase	1,542	1,542	0	0	0	0.0
Adjustment to reflect available Medicaid funds based on caseload	(1,271,962)	0	0	(1,271,962)	0	0.0
Eliminate expansion of functional family parole	(356,994)	(356,994)	0	0	0	(1.8)
Total FY 2009-10 JBC Recommendation	\$135,311,810	\$130,675,868	\$92,305	\$3,369,036	\$1,174,601	1,008.0
\$ Change from prior year	\$1,329,754	\$2,581,198	\$2,757	(\$1,268,321)	\$14,120	(1.8)
% Change from prior year	1.0%	2.0%	3.1%	(27.4)%	1.2%	(0.2)%

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Adjustment to reflect available Medicaid funds based on caseload: The recommendation reflects a decrease related to adjusting the appropriation for Medicaid funding to reflect available funds based on current caseload.

Eliminate expansion of functional family parole: The recommendation reflects a decrease related to eliminating the expansion of the functional family parole program. That program is currently being piloted in the Division's central management region and was planned for statewide expansion.

Judicial Department

Department Description: The Judicial Branch is comprised of four agencies, each falling under the jurisdiction of the Colorado Supreme Court. However, each agency is independent, has its own Director, and submits its own budget request with its own prioritized decision items. The *Judicial Department* is the largest of the four agencies, and is comprised of the Supreme Court, Court of Appeals, the State Court Administrator's Office, attorney regulation, victims programs, collections programs, Trial Courts, and Probation. The *Public Defender's Office* and the *Office of Alternate Defense Counsel* provide legal representation for indigent criminal defendants. These cases are first assigned to the Public Defender's Office, and cases are referred to the Alternate Defense Counsel if there is a conflict of interest. The *Office of the Child's Representative* oversees the provision of legal services to children entitled to legal representation at state expense (such as those involved in dependency and neglect cases), and is responsible for ensuring quality representation.

Summary Table for Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$432,637,718	\$325,942,329	\$98,439,018	\$5,966,106	\$2,290,265	4,084.7
Recommended Changes from FY 2008-09 by Long Bill Division						
Supreme Court/Court of Appeals	534,495	733,158	(198,663)	0	0	0.0
Courts Administration	(2,991,305)	(7,394,075)	4,100,740	300,963	1,067	8.2
Trial Courts	11,657,584	8,909,714	1,164,918	1,008,110	574,842	27.9
Probation and Related Services	8,653,906	4,803,343	1,775,364	510,953	1,564,246	(0.8)
Public Defender	4,858,816	5,101,881	(172,328)	(70,737)	0	43.2
Alternate Defense Counsel	513,586	501,586	12,000	0	0	0.0
Office of the Child's Representative	1,322,703	1,322,703	0	0	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$457,187,503	\$339,920,639	\$105,121,049	\$7,715,395	\$4,430,420	4,163.2
S.B. 09-268 Court Appointments Involving Children	(337,000)	(337,000)	0	0	0	0.0
Total FY 2009-10 Recommendation	\$456,850,503	\$339,583,639	\$105,121,049	\$7,715,395	\$4,430,420	4,163.2
\$ Change from prior year	\$24,212,785	\$13,641,310	\$6,682,031	\$1,749,289	\$2,140,155	78.5
% Change from prior year	5.6%	4.2%	6.8%	29.3%	93.4%	1.9%

Recommendation Highlights:

1. Restores \$4.7 million General Fund in one-time funding reductions taken in FY 2008-09, primarily related to the hiring freeze.
2. Adds \$4.2 million General Fund for court-appointed counsel to address caseload and cost per case increases, including the following: \$2,431,000 for the Public Defender's Office; \$1,278,000 for the Office of the Child's Representative; and \$474,000 for the Alternate Defense Counsel.

3. Adds a total of \$3.5 million (including \$844,000 General Fund) for probation staff and treatment resources to address a growing number of offenders on probation.
4. Adds \$3.5 million (primarily General Fund) for the state contributions for employee insurance and retirement benefits.
5. Adds \$3.1 million cash funds to fulfill the State's obligation to furnish new courthouse facilities.
6. Adds \$1.9 million cash funds for the continued development of public access and e-filing systems.
7. Adds \$1.6 million cash funds for the third year of adding judgeships pursuant to H.B. 07-1054, based on delaying seven of the judgeships to May 1, 2010, and the remaining eight to July 1, 2010.
8. Adds \$1.3 million (including \$535,800 General Fund) to enhance and expand existing drug courts.
9. Adds \$340,000 General Fund to implement H.B. 08-1407.
10. Includes a total of \$14.1 million (including \$12.8 million General Fund) in salary survey and anniversary pay increases awarded in FY 2008-09, but eliminates \$14.7 million (including \$13.3 million General Fund) for salary survey and anniversary pay increases in FY 2009-10.
11. Eliminates \$1.7 million cash funds to annualize prior year legislation and funding decisions (i.e., eliminating one-time funding for capital outlay for new positions).
12. Eliminates \$311,000 General Fund provided for a three-year project to convert the Department's case management system to the JAVA programming language.
13. Adds 78.5 FTE, including the following changes:
 - an increase of 50.8 FTE related to population changes, including 36.8 FTE attorneys for the Public Defender's Office and 14.0 FTE probation staff;
 - an increase of 18.4 FTE to expand the capacity and enhance the effectiveness of adult drug courts;
 - a net increase of 18.4 FTE related to prior year legislation or previous budget decisions, including an increase of 13.2 FTE for the public access/e-filing systems project, an increase of 5.4 FTE for H.B. 07-1054, an increase of 4.8 FTE for H.B. 08-1407, and a decrease of 5.0 FTE related to a completed case management system conversion project; and
 - a net decrease of 9.1 FTE shown for informational purposes, including a reduction of 4.1 FTE supported by grant funds and a reduction of 5.0 FTE language interpreters (to reflect the actual mix of contract and state staff).

JBC Sponsored Budget Legislation Summary:

S.B. 09-268 Court Appointments Involving Children: Makes several clarifying changes concerning the appointment of state-paid professionals in cases involving children. Clarifies that the court may appoint a guardian ad litem (GAL) in truancy cases when extraordinary and exceptional circumstances exist. Requires

a court to make specific findings that the appointment of a GAL in certain delinquency cases is necessary to serve the child's best interests, and clarifies that the appointment of a GAL in delinquency cases terminates at the conclusion of sentencing except in certain circumstances. With respect to certain dissolution of marriage and legal separation proceedings, clarifies that the court shall consider the combined income and assets of both parties before determining that a party is indigent. This bill is estimated to reduce General Fund appropriations to the Branch by \$337,000 in FY 2009-10.

Budget Recommendation Detail by Long Bill Division

Supreme Court/Court of Appeals: This section provides funding for the Colorado Supreme Court and the Colorado Appeals Court. The *Supreme Court* is the court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases such as those in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven justices who serve renewable 10-year terms. The Chief Justice, selected by the justices of the Court, is the executive head of the Department.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgements and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable 8-year terms.

Supreme Court/Court of Appeals	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$17,822,400	\$10,150,431	\$7,671,969	\$0	\$0	198.7
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary increases	764,157	733,158	30,999	0	0	0.0
Annualize prior year funding	(229,662)	0	(229,662)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$18,356,895	\$10,883,589	\$7,473,306	\$0	\$0	198.7
\$ Change from prior year	\$534,495	\$733,158	(\$198,663)	\$0	\$0	0.0
% Change from prior year	3.0%	7.2%	(2.6)%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for appellate court staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Annualize prior year funding: The recommendation eliminates one-time funding for capital outlay associated with positions added in FY 2008-09.

Courts Administration: The justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. The Courts Administration section of the budget is comprised of three subsections: Administration, Administrative Special Purpose, and Integrated Information Services.

Courts Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$66,591,982	\$46,943,880	\$17,221,387	\$2,422,362	\$4,353	206.5
Recommended Changes from FY 2008-09 Appropriation						
Administration	4,031,200	51,807	3,677,363	300,963	1,067	0.0
Administrative Special Purpose	(8,639,175)	(7,276,365)	(1,362,810)	0	0	0.0
Integrated Information Services	1,616,670	(169,517)	1,786,187	0	0	8.2
Total FY 2009-10 JBC Recommendation	\$63,600,677	\$39,549,805	\$21,322,127	\$2,723,325	\$5,420	214.7
\$ Change from prior year	(\$2,991,305)	(\$7,394,075)	\$4,100,740	\$300,963	\$1,067	8.2
% Change from prior year	(4.5)%	(15.8)%	23.8%	12.4%	24.5%	4.0%

Subdivision Detail

Administration: This subsection funds the activities of the State Court Administrator's Office, including the following central administrative functions: accounting and budget; human resources; facilities management; procurement; public information; and legal services. This section also includes funding for the Judicial Performance Program, family violence grants, and the Family-friendly Court Program.

Administration (State Court Administrator's Office)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$13,378,192	\$6,545,769	\$5,470,955	\$1,357,115	\$4,353	70.6
Recommended Changes from FY 2008-09 Appropriation						
Courthouse furnishings	3,100,000	0	3,100,000	0	0	0.0
Annualize salary increases	315,864	310,891	4,973	0	0	0.0
Indirect cost adjustments	296,912	(296,913)	295,845	296,913	1,067	0.0
Courthouse security grants	250,000	0	250,000	0	0	0.0
Annualize FY 2008-09 hiring freeze	38,000	38,000	0	0	0	0.0
Annualize prior year legislation	30,000	0	30,000	0	0	0.0
Other	424	(171)	(3,455)	4,050	0	0.0
Total FY 2009-10 JBC Recommendation	\$17,409,392	\$6,597,576	\$9,148,318	\$1,658,078	\$5,420	70.6
\$ Change from prior year	\$4,031,200	\$51,807	\$3,677,363	\$300,963	\$1,067	0.0
% Change from prior year	30.1%	0.8%	67.2%	22.2%	24.5%	0.0%

Issue Descriptions

Courthouse furnishings: The recommendation includes \$3.1 million cash funds from the Judicial Stabilization Cash Fund to cover the state share of the costs of furnishing new courthouse facilities in FY 2009-10. As described more fully in the Trial Courts section, this recommendation utilizes a portion of the one-time savings generated by delaying the 15 judgeships scheduled to be added in FY 2009-10.

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for administrative staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Indirect cost adjustments: The recommendation reflects a net increase of \$296,912 (including \$295,845 cash funds and \$1,067 federal funds) related to statewide and departmental indirect cost recoveries. The recommendation also reflects fund source adjustments (a reduction of \$296,913 General Fund offset by an increase of \$296,913 reappropriated funds) based on projected indirect cost recoveries. [Of the sum of these adjustments, \$86,250 of the General Fund reduction, \$86,250 of the cash funds increase, and \$86,250 of the increase in reappropriated funds all relate to the project of developing public access and e-filing systems. These adjustments allow the Department to properly account for the leased space costs of this project using the indirect cost methodology.]

Courthouse security grants: The recommendation increases spending authority from the Court Security Cash Fund for the provision of grants for security equipment, training, and personnel.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year legislation: Consistent with the Legislative Council Staff fiscal note for S.B. 08-54, the recommendation adds \$30,000 cash funds to conduct a bi-annual public awareness poll in FY 2009-10.

Other: The recommendation includes the following increases: \$10,099 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09; and \$4,050 reappropriated funds based on anticipated transfers from the Historical Society. These increases are offset by the following reductions: \$6,220 General Fund and \$3,455 cash funds to eliminate capital outlay funding provided for staff positions added in FY 2008-09; and \$4,050 General Fund based on the memorandum of understanding with the Historical Society concerning costs related to the Judicial/Heritage Center.

Administrative Special Purpose: This subdivision includes several programs within the Judicial Department, such as the Office of Dispute Resolution, the Child Support Enforcement Program, and the Retired Judge Program. The subdivision also includes centrally appropriated line items, such as salary survey, workers' compensation, legal services, and payments related to risk management.

Administrative Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$43,969,350	\$34,752,069	\$8,369,744	\$847,537	\$0	84.2
Recommended Changes from FY 2008-09 Appropriation						
PERA amortization equalization disbursement	1,944,808	1,818,304	126,504	0	0	0.0
Annualize FY 2008-09 hiring freeze and voluntary furloughs	1,805,000	1,805,000	0	0	0	0.0
State contribution for health, life, and dental	335,526	696,657	(361,131)	0	0	0.0
Annualize salary increases	213,342	0	213,342	0	0	0.0
Eliminate salary survey and anniversary increases	(12,687,718)	(11,294,885)	(1,392,833)	0	0	0.0
Miscellaneous common policy changes	(386,383)	(387,691)	1,308	0	0	0.0
Other	136,250	86,250	50,000	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$35,330,175	\$27,475,704	\$7,006,934	\$847,537	\$0	84.2
\$ Change from prior year	(\$8,639,175)	(\$7,276,365)	(\$1,362,810)	\$0	\$0	0.0
% Change from prior year	(19.6)%	(20.9)%	(16.3)%	0.0%	n/a	0.0%

Issue Descriptions

PERA amortization equalization disbursement: The recommendation includes increases for Public Employees' Retirement Association (PERA) amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235.

Annualize FY 2008-09 hiring freeze and voluntary furloughs: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

State contribution for health, life and dental: The recommendation includes funding for an increase in the state contribution for employee insurance benefits.

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for administrative staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Eliminate salary survey and anniversary increases: The recommendation does not include appropriations for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases for court and probation staff, when provided, are funded through centrally-appropriated line items in this subsection of the Department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Miscellaneous common policy changes: The recommendation includes the following increases for centrally-appropriated line items: \$58,711 for short-term disability; \$11,035 for vehicle lease payments; and \$8,692 for legal services. These increases are partially offset by the following reductions: \$352,155 for workers' compensation; and \$112,666 for payment to risk management.

Other: The recommendation also includes an increase of \$86,250 General Fund for leased space associated with the development of public access and e-filing systems. [This appropriation is offset by a General Fund decrease in funding for Personal Services in the Administration subsection. These adjustments allow the Department to properly account for these leased space expenditures using the indirect cost methodology.] The recommendation also includes a \$50,000 increase in cash funds spending authority to allow the courts to receive and spend fees from offenders to cover research and data access costs related to locating offenders who have absconded and failed to pay restitution and fines.

Integrated Information Services: This Office is responsible for developing and maintaining information technology systems used by the courts and probation offices in all 22 judicial districts, including the following: (1) the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; (2) the Colorado Integrated Criminal Justice Information System (CICJIS), which shares and tracks data concerning offenders among the various criminal justice agencies, including law enforcement, district attorneys, courts, as well as adult and youth corrections; (3) the appellate case tracking system; (4) the court-appointed counsel system; and (5) the state court administrator's local-area network.

Integrated Information Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$9,244,440	\$5,646,042	\$3,380,688	\$217,710	\$0	51.7
Recommended Changes from FY 2008-09 Appropriation						
Public access/E-filing systems development	1,786,187	0	1,786,187	0	0	13.2
Annualize salary increases	174,309	174,309	0	0	0	0.0
JAVA Conversion	(311,054)	(311,054)	0	0	0	(5.0)
Other	(32,772)	(32,772)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$10,861,110	\$5,476,525	\$5,166,875	\$217,710	\$0	59.9
\$ Change from prior year	\$1,616,670	(\$169,517)	\$1,786,187	\$0	\$0	8.2
% Change from prior year	17.5%	(3.0)%	52.8%	0.0%	n/a	15.9%

Issue Descriptions

Public access/E-filing systems development: [Background information. In response to a General Assembly request, the Department studied the feasibility of providing its public access and e-filing programs in-house. The Department recommended that it be authorized to develop both systems using existing cash fund revenues as well as revenues that will be collected from users and third party vendors once each system is deployed. The General Assembly recently authorized the Department to spend \$722,296 cash funds in FY 2008-09 to begin developing in-house public access and e-filing systems. This funding was intended to allow the Department to hire 5.0 FTE in the latter part of FY 2008-09 and to begin acquiring hardware and software.]

The recommendation for FY 2009-10 includes a total of \$2,594,733 cash funds and 15.0 FTE to allow the Department to continue developing these systems. This dollar amount represents an increase of \$1,872,437 compared to the resources provided for FY 2008-09 (\$86,250 of this amount is appropriated for leased space in the Courts Administration section). This funding will support an additional ten staff positions, as well as equipment and software expenditures associated with the project.

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for information technology staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

JAVA Conversion: The recommendation eliminates funding and staff provided over a three-year period to convert the Department's case management system (ICON) from the RPG programming language to JAVA programming language.

Other: The recommendation includes an increase of \$3,593 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09. This increase is offset by the following reductions: \$33,600 General Fund to eliminate one-time funding provided to implement H.B. 08-1010; and \$2,765 General Fund to eliminate capital outlay funding provided for staff positions added in FY 2008-09.

Trial Courts: State trial courts include district courts in 22 judicial districts, water courts, and county courts. *District courts* preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable 6-year terms.

The General Assembly established seven *water divisions* in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water.

County courts have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable 4-year terms.

Trial Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$168,897,097	\$114,990,778	\$52,599,271	\$256,890	\$1,050,158	1,906.7
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary increases	7,290,145	6,705,284	584,861	0	0	0.0
Annualize prior year legislation	1,925,061	340,260	1,584,801	0	0	10.2

Trial Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize FY 08-09 hiring freeze	1,600,000	1,600,000	0	0	0	0.0
Enhance and expand drug courts	1,233,760	258,131	975,629	0	0	17.2
Reflect federal child support enforcement funds	965,000	0	0	965,000	0	0.0
Grant funds	103,373	0	(514,579)	43,110	574,842	5.5
Annualize prior year funding	(1,465,794)	0	(1,465,794)	0	0	0.0
Other	6,039	6,039	0	0	0	(5.0)
Total FY 2009-10 JBC Recommendation	\$180,554,681	\$123,900,492	\$53,764,189	\$1,265,000	\$1,625,000	1,934.6
\$ Change from prior year	\$11,657,584	\$8,909,714	\$1,164,918	\$1,008,110	\$574,842	27.9
% Change from prior year	6.9%	7.7%	2.2%	392.4%	54.7%	1.5%

Issue Descriptions

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for trial court staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Annualize prior year legislation: The recommendation includes the following amounts to implement prior year legislation: \$1,584,801 cash funds and 5.4 FTE for the third year of implementing H.B. 08-1054 (concerning an increase in the number of judges in certain state courts); and \$340,260 General Fund and 4.8 FTE for the implementation of H.B. 08-1407 (concerning strengthening penalties for the unreasonable conduct of an insurance carrier). The amount added for H.B. 08-1407 is consistent with the Legislative Council Staff fiscal note for the act.

With respect to H.B. 07-1054, the recommendation is lower than the anticipated costs of adding 12 district court judges and three county court judges on July 1, 2009. The recommendation is based on delaying these 15 judgeships to reduce the associated expenditures from the Judicial Stabilization Fund in FY 2009-10 by about \$4.8 million. Working with the affected judicial districts, the Department prepared a modified implementation schedule, which is detailed in the following table.

Summary of Proposal to Delay 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Scheduled Judge Increase for 7/1/09	Proposed Timing of Increases	FY 2009-10		FY 2010-11	
				Funding	FTE	Funding	FTE
District Courts							
1	Jefferson, Gilpin	+2	7/1/10	\$161,706	0.0	\$732,402	10.0
2	Denver	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0

Summary of Proposal to Delay 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Scheduled Judge Increase for 7/1/09	Proposed Timing of Increases	FY 2009-10		FY 2010-11	
				Funding	FTE	Funding	FTE
4	El Paso, Teller	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0
8	Larimer, Jackson	+1	7/1/10	80,853	0.0	366,201	5.0
17	Adams, Broomfield	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0
18	Arapahoe, Douglas, Elbert, Lincoln	+1	5/1/10	141,887	0.8	366,201	5.0
19	Weld	+1	7/1/10	80,853	0.0	366,201	5.0
20	Boulder	+1	7/1/10	80,853	0.0	366,201	5.0
County Courts							
	Adams	+1	5/1/10	123,477	0.7	285,203	4.0
	El Paso	+1	5/1/10	123,477	0.7	285,203	4.0
	Jefferson	+1	5/1/10	123,477	0.7	285,203	4.0
	Statewide Total	15		1,584,803	5.3	5,250,021	72.0
	Less: Cost of 7/1/09 Implementation			(6,448,088)			
	One-time savings			(4,863,285)			

Under the proposed schedule, all district and county courts would receive capital outlay funding for the 15 new judgeships in FY 2009-10; personal services and operating funding would be provided for the months each judgeship is filled. The recommendation proposes using \$3.1 million of the one-time savings to cover the cost of courthouse furnishings and to cover the costs of expanding and enhancing adult drug courts.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Enhance and expand drug courts: Last year the General Assembly requested that the Department develop a strategy and plan to provide drug courts statewide. In response, the Department requested funding and staff to enhance and expand drug courts that are currently operational in 11 judicial districts (including 19 counties)¹, and drug courts scheduled to be implemented in the 1st (Jefferson) and 16th (Otero) judicial districts by the end of FY 2008-09. The recommendation includes an increase of \$1,233,760 and 17.2 FTE to increase the number of high risk and high need offenders served (up to 35 percent of capacity), and to ensure that these drug courts are operating consistently and effectively in order to maximize the resulting cost savings. The

¹ Adult drug courts are currently operational in the following judicial districts and counties: 2nd (Denver), 4th (El Paso and Teller), 6th (La Plata and Archuleta), 7th (Gunnison, Delta, and Montrose), 8th (Larimer), 9th (Rio Blanco, Garfield, and Pitkin), 11th (Fremont, Park, and Chaffee), 14th (Moffat), 19th (Weld), 20th (Boulder), and 22nd (Montezuma).

recommended increase consists of \$258,131 General Fund and 4.2 FTE transferred from the Probation and Related Services section, and \$975,629 cash funds and 13.0 FTE from the Judicial Stabilization Cash Fund.

Reflect federal child support enforcement funds: The recommendation includes \$965,000 reappropriated funds to reflect federal child support enforcement funds that are transferred from the Department of Human Services and matched with state funds supporting the Trial Court Programs line item.

Grant funds: The recommendation reflects adjustments to funding and FTE based on anticipated grants.

Annualize prior year funding: The recommendation includes a reduction of \$1,465,794 to eliminate one-time capital outlay funding for positions added in FY 2008-09.

Other: The recommendation includes an increase of \$11,864 General Fund for mailing costs and an upgrade to mail services equipment in the Department of Personnel, offset by a reduction of \$5,825 and 5.0 FTE for Language Interpreters to reflect actual expenditure and FTE levels.

Probation and Related Services: Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. Managed by the Chief Probation Officer in each judicial district, 1,200 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims.

Probation and Related Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$88,560,375	\$63,436,186	\$20,679,818	\$3,208,617	\$1,235,754	1,204.4
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary increases	3,519,371	3,005,590	513,781	0	0	0.0
Offender services	2,667,005	0	2,667,005	0	0	0.0
Address caseload and workload growth	843,968	843,968	0	0	0	14.0
Annualize FY 2008-09 hiring freeze	760,000	760,000	0	0	0	0.0
Grant funds	436,261	0	(1,405,422)	277,437	1,564,246	(10.6)
Day reporting services	393,078	393,078	0	0	0	0.0
S.B. 91-94 juvenile services	233,516	0	0	233,516	0	0.0
Enhance and expand drug courts	(258,131)	(258,131)	0	0	0	(4.2)
Other	58,838	58,838	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$97,214,281	\$68,239,529	\$22,455,182	\$3,719,570	\$2,800,000	1,203.6
\$ Change from prior year	\$8,653,906	\$4,803,343	\$1,775,364	\$510,953	\$1,564,246	(0.8)
% Change from prior year	9.8%	7.6%	8.6%	15.9%	126.6%	(0.1)%

Issue Descriptions

Annualize salary increases: The recommendation includes increases for salary survey and anniversary that were awarded in FY 2008-09. Salary survey and anniversary increases for probation staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Offender services: The recommendation provides additional spending authority from three cash funds for the purpose of address a growing caseload and need for offender services: \$2,325,000 from the Offender Services Fund (consisting of cost of care payments and probation supervision fees paid by offenders); \$300,000 from the Drug Offender Surcharge Fund (consisting of surcharges paid by certain drug offenders); and \$42,005 from the Offender Identification Fund (consisting of offender payments for genetic testing). Moneys in the Offender Services Fund and the Drug Offender Surcharge Fund will be used to provide a variety of services, including: sex offender assessment and treatment; drug and alcohol abuse assessment, testing, education, and treatment; domestic violence treatment; and emergency housing. Moneys in the Offender Identification Fund will be used for statutorily required genetic (DNA) testing of offenders.

Address caseload and workload growth: The recommendation includes funding for 14.0 FTE additional probation staff (comprised of 10.0 FTE probation officers, 1.5 FTE probation supervisors, and 2.5 FTE support staff) to maintain personnel at 88 percent of full staffing.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Grant funds: The recommendation reflects adjustments to funding and FTE based on anticipated grant funds.

Day reporting services: The recommendation reflects the transfer of \$393,078 General Fund from the Department of Public Safety, Division of Criminal Justice for the purpose of allowing the Probation Division to contract directly for the provision of day reporting services for offenders on probation.

S.B. 91-94 juvenile services: The recommendation aligns the appropriation with the anticipated contract for S.B. 91-94 services with the Department of Human Services. The actual contract will not be finalized until after the Long Bill has passed; the Judicial Department will submit a supplemental funding request in January 2010, if necessary, to align the appropriation with the actual contract amount.

Enhance and expand drug courts: The recommendation reflects the transfer of \$258,131 General Fund and 4.2 FTE to the Trial Courts Programs line item for the expansion of adult drug courts (see discussion in Trial Courts section).

Other: The recommendation includes an increase of \$227,442 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09. This increase is offset by a reduction of \$168,604 General Fund to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Public Defender: The Office of the State Public Defender is an independent agency within the Judicial Branch for the purpose of providing legal representation for indigent defendants who are facing the possibility of

incarceration. The Office is comprised of a central administrative office, an appellate office, and 21 regional trial offices.

Public Defender	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$50,398,945	\$50,062,135	\$258,573	\$78,237	\$0	534.1
Recommended Changes from FY 2008-09 Appropriation						
Address caseload and workload growth	2,431,049	2,431,049	0	0	0	36.8
Annualize salary increases	1,724,720	1,709,793	14,927	0	0	0.0
Employee benefit changes	1,174,008	1,174,329	(321)	0	0	0.0
Leased space	635,384	635,384	0	0	0	0.0
Reverse one-time mid-year reductions	410,883	410,883	0	0	0	0.0
Enhance and expand drug courts	295,876	535,803	(239,927)	0	0	5.4
Eliminate salary survey and anniversary increases	(1,820,229)	(1,804,477)	(15,752)	0	0	0.0
Other	7,125	9,117	68,745	(70,737)	0	1.0
Total FY 2009-10 JBC Recommendation	\$55,257,761	\$55,164,016	\$86,245	\$7,500	\$0	577.3
\$ Change from prior year	\$4,858,816	\$5,101,881	(\$172,328)	(\$70,737)	\$0	43.2
% Change from prior year	9.6%	10.2%	(66.6)%	(90.4)%	n/a	8.1%

Issue Descriptions

Address caseload and workload growth: The recommendation includes funding to add 36.8 FTE attorneys to address caseload and workload growth, and to reduce the trial attorney staffing deficit from 37 percent to 33 percent of minimum staffing standards.

Annualize salary increases: The recommendation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for Public Defender staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Employee benefit changes: The recommendation includes the following increases associated with employee benefits: \$815,575 for the state contribution to employee health, life and dental benefits; \$347,420 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235, and \$11,013 for short-term disability.

Leased space: The recommendation includes funding for annual leased space escalators and new leased space contracts for 23 locations statewide.

Reverse one-time mid-year reductions: The recommendation restores base reductions taken mid-year in FY 2008-09 to assist in balancing the budget: \$213,378 for information technology equipment and software maintenance; and \$197,505 for mandated costs.

Enhance and expand drug courts: The recommendation includes an increase of \$239,927 General Fund to continue to support 4.0 FTE who represent defendants in Denver Drug Court. These staff were initially supported by grant funds received from Denver. The recommendation also adds \$220,847 General Fund and 5.4 FTE to provide representation necessary to support the expansion of adult drug courts (see discussion in Trial Courts section).

Eliminate salary survey and anniversary increases: The recommendation does not include appropriations for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Other: The recommendation includes the following increases: \$65,950 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09; \$56,245 cash funds and 1.0 FTE based on an anticipated grant; \$12,500 cash funds spending authority for training fees; and \$5,927 General Fund for vehicle lease payments. These increases are offset by a reduction of \$70,737 reappropriated funds based on changes in grant funding, and a reduction of \$62,760 General Fund to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Alternate Defense Counsel: The Office of Alternate Defense Counsel (OADC) is an independent agency within the Judicial Branch that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the State Public Defender's Office is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators.

Alternate Defense Counsel	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$23,178,555	\$23,170,555	\$8,000	\$0	\$0	7.5
Recommended Changes from FY 2008-09 Appropriation						
Case cost and caseload growth increase	474,002	474,002	0	0	0	0.0
Annualize salary increases	36,027	36,027	0	0	0	0.0
Employee benefit changes	24,480	24,480	0	0	0	0.0
Spending authority for training fees	12,000	0	12,000	0	0	0.0
Eliminate salary survey and anniversary increases	(37,703)	(37,703)	0	0	0	0.0
Other	4,780	4,780	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$23,692,141	\$23,672,141	\$20,000	\$0	\$0	7.5
\$ Change from prior year	\$513,586	\$501,586	\$12,000	\$0	\$0	0.0
% Change from prior year	2.2%	2.2%	150.0%	n/a	n/a	0.0%

Issue Descriptions

Case cost and caseload growth increase: The recommendation includes funding to account for caseload growth and increases in average costs per case.

Annualize salary increases: The recommendation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for Alternate Defense Counsel staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Employee benefit changes: The recommendation includes the following increases associated with employee benefits: \$17,138 for the state contribution to employee health, life and dental benefits; \$7,098 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235, and \$244 for short-term disability.

Spending authority for training fees: The recommendation increases cash funds spending authority to allow the OADC to collect and spend training fees.

Eliminate salary survey and anniversary increases: The recommendation does not include appropriations for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Other: The recommendation includes the following changes: an increase of \$2,149 due to a scheduled increase in leased space costs; an increase of \$6,086 to provide the 12th month of funding for two half-time staff positions added in FY 2008-09; and a reduction of \$3,455 to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Office of the Child's Representative: The Office of the Child's Representative (OCR) is an independent agency within the Judicial Branch that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters.

Office of the Child's Representative	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$17,188,364	\$17,188,364	\$0	\$0	\$0	26.8
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Case cost and caseload growth increase	1,212,911	1,212,911	0	0	0	0.0
Annualize salary increases	108,885	108,885	0	0	0	0.0
Staff for El Paso county office	64,900	64,900	0	0	0	0.0
Employee benefit changes	41,462	41,462	0	0	0	0.0

Office of the Child's Representative	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate salary survey and anniversary increases	(114,196)	(114,196)	0	0	0	0.0
Other	8,741	8,741	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$18,511,067	\$18,511,067	\$0	\$0	\$0	26.8
\$ Change from prior year	\$1,322,703	\$1,322,703	\$0	\$0	\$0	0.0
% Change from prior year	7.7%	7.7%	n/a	n/a	n/a	0.0%

Issue Descriptions

Case cost and caseload growth increase: The recommendation includes funding to account for caseload growth and increases in the average cost per case.

Annualize salary increases: The recommendation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for OCR staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100 percent of salary survey and 80 percent of anniversary increases).

Staff for El Paso County office: While the OCR generally provides legal representation through contract attorneys, it maintains an office in El Paso county and provides legal representation through state employees rather than through contract. The recommendation includes funding to add one staff attorney for the El Paso county office to address workload increases.

Employee benefit changes: The recommendation includes the following increases associated with employee benefits: \$24,814 for the state contribution to employee health, life and dental benefits; \$16,163 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235, and \$485 for short-term disability.

Eliminate salary survey and anniversary increases: The recommendation does not include appropriations for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Other: The recommendation includes the following increases: \$4,858 due to a scheduled increase in leased space costs; \$4,458 to provide the 12th month of funding for a staff position added in FY 2008-09; and \$2,880 for mileage reimbursement for staff in the El Paso County office and the central administrative office. These increases are offset by a reduction of \$3,455 to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Department of Labor and Employment

Department Description: The Department is responsible for: running state and federal funded employment and training programs; managing the state's unemployment insurance program, enforcing labor laws, regulating the petroleum industry, inspecting public school and junior college construction sites and boilers, and administering the workers' compensation program.

Summary Table for Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$161,218,546	\$0	\$62,240,246	\$1,621,481	\$97,356,819	1,124.7
Long Bill supplemental	<u>69,711</u>	<u>0</u>	<u>69,711</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$161,288,257	\$0	\$62,309,957	\$1,621,481	\$97,356,819	1,124.7
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Executive Director's Office	(2,069,651)	0	(2,889,460)	2,934	816,875	0.5
Employment and Training	(1,837,333)	0	1,552,244	0	(3,389,577)	(3.1)
Labor	131,208	0	131,208	0	0	(1.0)
Oil and Public Safety	84,191	0	67,853	0	16,338	2.1
Workers' Compensation	490,243	0	490,243	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$158,086,915	\$0	\$61,662,045	\$1,624,415	\$94,800,455	1,123.2
\$ Change from prior year	(\$3,201,342)	\$0	(\$647,912)	\$2,934	(\$2,556,364)	(1.5)
% Change from prior year	(2.0)%	n/a	(1.0)%	0.2%	(2.6)%	(0.1)%

Recommendation Highlights:

1. Provides \$85,722 cash, reappropriated and federal funds for the Department to develop and implement an internal audit program.
2. Decreases the Internet Self-Service line item in the Division of Employment and Training by \$336,594 cash funds to annualize prior year funding.
3. Transfers 2.3 FTE to the Workforce Improvement Grants from the Department of Human Services to complete the Disability Program Navigator transition into the Department of Labor and Employment.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: The Executive Director's Office provides funding for common services to all divisions including legal services from the Department of Law and services from the Computer Center. This Office also houses support services including: the Office of Government, Policy and Public Relations, the Office of Human Resources, and the budget and controller's offices.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$32,741,051	\$0	\$16,919,375	\$1,126,349	\$14,695,327	164.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Centrally-appropriated line items	1,034,226	0	214,156	115	819,955	0.0
Annualize salary and benefit adjustments	611,950	0	179,209	30,048	402,693	0.0
Annualize FY 2008-09 hiring freeze	188,931	0	75,572	0	113,359	0.0
Internal audit program	76,790	0	33,412	2,542	40,836	0.0
Eliminate salary survey and performance-based pay	(3,503,020)	0	(2,907,751)	(29,771)	(565,498)	0.0
Annualize one-time disaster recovery	(484,144)	0	(484,144)	0	0	0.0
Other	5,616	0	86	0	5,530	0.5
Total FY 2009-10 JBC Recommendation	\$30,671,400	\$0	\$14,029,915	\$1,129,283	\$15,512,202	164.9
\$ Change from prior year	(\$2,069,651)	\$0	(\$2,889,460)	\$2,934	\$816,875	0.5
% Change from prior year	(6.3)%	n/a	(17.1)%	0.3%	5.6%	0.3%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life and dental benefits, shift differential, state contributions to the Public Employee's Retirement Association pension funds, short-term disability, workers' compensation, legal services, purchases of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex lease space, and vehicle lease payments.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Internal audit program: The recommendation provides for \$76,790 total funds to fill a vacant auditor position to develop and implement an internal audit program throughout the Department.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increase, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Annualize one-time disaster recovery: The recommendation eliminates \$484,144 cash funds awarded in FY 2008-09 for the implementation of a disaster recovery system for the Department.

Other: The recommendation includes small changes to various division line items.

Employment and Training: This Division administers three programs: the unemployment insurance and fraud programs, employment and training programs, and Labor Market Information.

Employment and Training	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$98,804,744	\$0	\$16,221,158	\$475,616	\$82,107,970	750.1
Recommended Changes from FY 2008-09 Appropriation						
Unemployment Insurance Programs	2,603,669	0	2,622,789	0	(19,120)	25.7
Unemployment Insurance Fraud Program	(1,458,219)	0	(1,458,219)	0	0	(26.0)
Employment and Training	(3,076,632)	0	387,674	0	(3,464,306)	(2.8)
Labor Market Information	93,849	0	0	0	93,849	0.0
Total FY 2009-10 JBC Recommendation	\$96,967,411	\$0	\$17,773,402	\$475,616	\$78,718,393	747.0
\$ Change from prior year	(\$1,837,333)	\$0	\$1,552,244	\$0	(\$3,389,577)	(3.1)
% Change from prior year	(1.9)%	n/a	9.6%	0.0%	(4.1)%	(0.4)%

Subsection Detail

Unemployment Insurance Programs: The Unemployment insurance programs (UI Programs) provides temporary benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include tax collection from employers, benefit payments, employer tax audits, operating a call center, and processing claimants' appeal applications.

Unemployment Insurance Programs Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$32,664,783	\$0	\$4,881,795	\$0	\$27,782,988	444.3
Recommended Changes from FY 2008-09 Appropriation						
Combine the UI Fraud Program with the UI Programs	1,578,014	0	1,578,014	0	0	26.0
Annualize salary and benefit adjustments	1,197,332	0	1,197,332	0	0	0.0
Internet Self Service	(336,594)	0	(336,594)	0	0	0.0
Other	164,917	0	184,037	0	(19,120)	(0.3)
Total FY 2009-10 JBC Recommendation	\$35,268,452	\$0	\$7,504,584	\$0	\$27,763,868	470.0
\$ Change from prior year	\$2,603,669	\$0	\$2,622,789	\$0	(\$19,120)	25.7
% Change from prior year	8.0%	n/a	53.7%	n/a	(0.1)%	5.8%

Issue Descriptions

Combine the UI Fraud Program with the UI Programs: The recommendation eliminates the UI Fraud Program as a separate subdivision and transfers the funding and FTE to the UI Programs line item.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Internet Self Service: The recommendation reduces the appropriation by \$336,594 to annualize prior year funding.

Other: The recommendation includes changes to various division line items.

Unemployment Insurance Fraud Program: This line item is being added to the UI Programs subdivision, and will be discontinued in the FY 2009-10 Long Bill and all years thereafter. The UI Fraud Program identifies, investigates and prosecutes unqualified individuals who receive UI benefits.

Unemployment Insurance Fraud Program Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,458,219	\$0	\$1,458,219	\$0	\$0	26.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	69,381		69,381			0.0
Annualize FY 2008-09 hiring freeze	50,414	0	50,414	0	0	0.0
Combine the UI Fraud Program with the UI Programs	(1,578,014)	0	(1,578,014)	0	0	(26.0)
Total FY 2009-10 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$1,458,219)	\$0	(\$1,458,219)	\$0	\$0	(26.0)
% Change from prior year	(100.0)%	n/a	(100.0)%	n/a	n/a	(100.0)%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Combine the UI Fraud Program with the UI Programs: The recommendation eliminates the UI Fraud Program as a separate subdivision and transfers the funding and FTE to the UI Programs line item.

Employment and Training: The State offers job search assistance, additional job training, classes to improve interview and resume skills through state and county-run one-stop centers. Services are free to job seekers and employers seeking employees, and the goal is to match qualified job seekers with employers.

Employment and Training Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$62,732,260	\$0	\$9,869,635	\$475,616	\$52,387,009	249.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary survey and benefit adjustments	489,930	0	489,930	0	0	0.0
FTE base adjustments	0	0	0	0	0	(2.8)
Federal funds	(3,440,380)	0	0	0	(3,440,380)	0.0
Annualize prior year funding	(144,316)	0	(115,331)	0	(28,985)	0.0
Other	18,134	0	13,075	0	5,059	0.0
Total FY 2009-10 JBC Recommendation	\$59,655,628	\$0	\$10,257,309	\$475,616	\$48,922,703	246.7
\$ Change from prior year	(\$3,076,632)	\$0	\$387,674	\$0	(\$3,464,306)	(2.8)
% Change from prior year	(4.9)%	n/a	3.9%	0.0%	(6.6)%	(1.1)%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

FTE base adjustments: The recommendation decreases the base number of FTE by 2.8 FTE.

Federal funds: The recommendation reflects an anticipated decrease of \$3,440,380 federal funds.

Annualize prior year funding: The recommendation includes a decrease of \$244,316 to annualize the FY 2008-09 appropriation.

Other: The recommendation includes changes to various subdivision line items.

Labor Market Information: Labor Market Information (LMI) provides information on employment trends across the state, monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado.

Labor Market Information Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,949,482	\$0	\$11,509	\$0	\$1,937,973	30.3
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	91,116	0	0	0	91,116	0.0

Labor Market Information Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Postage increase	2,733	0	0	0	2,733	0.0
Total FY 2009-10 JBC Recommendation	\$2,043,331	\$0	\$11,509	\$0	\$2,031,822	30.3
\$ Change from prior year	\$93,849	\$0	\$0	\$0	\$93,849	0.0
% Change from prior year	4.8%	n/a	0.0%	n/a	4.8%	0.0%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Division of Labor: The Division ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation.

Division of Labor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,057,681	\$0	\$1,057,681	\$0	\$0	16.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	74,784	0	74,784	0	0	0.0
Annualize salary and benefit adjustments	56,424	0	56,424	0	0	0.0
FTE base reduction	0	0	0	0	0	(1.0)
Total FY 2009-10 JBC Recommendation	\$1,188,889	\$0	\$1,188,889	\$0	\$0	15.0
\$ Change from prior year	\$131,208	\$0	\$131,208	\$0	\$0	(1.0)
% Change from prior year	12.4%	n/a	12.4%	n/a	n/a	(6.3)%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

FTE base reduction: The recommendation reduces the base number of FTE by 1.0 FTE.

Division of Oil and Public Safety: This Division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of all boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to safety in public schools and carnivals; and regulates and monitors proper storage of explosives. The Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the sale and distribution of petroleum products.

Division of Oil and Public Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$6,991,082	\$0	\$6,418,044	\$19,516	\$553,522	76.2
Long Bill supplemental	13,767	0	13,767	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$7,004,849	\$0	\$6,431,811	\$19,516	\$553,522	76.2
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	186,370	0	175,465	0	10,905	0.0
Annualize salary and benefit adjustments	174,607	0	169,174	0	5,433	0.0
Annualize prior year funding	152,645	0	152,645	0	0	2.1
Fuel engine - one-time funding	(440,000)	0	(440,000)	0	0	0.0
Other	10,569	0	10,569	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$7,089,040	\$0	\$6,499,664	\$19,516	\$569,860	78.3
\$ Change from prior year	\$84,191	\$0	\$67,853	\$0	\$16,338	2.1
% Change from prior year	1.2%	n/a	1.0%	0.0%	2.9%	2.7%

Issue Descriptions

Long Bill supplemental: The recommendation reflects an increase of \$13,767 for the payment of fees to Central Collection Services in the Department of Personnel.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year funding: The recommendation includes a decrease of \$13,767 associated with annualizing legislation and budget actions from the prior year.

Fuel engine - one-time funding: The recommendation reflects the annualization of one-time funding to purchase two cooperative fuel research engines for the Oil and Public Safety Laboratory.

Other: The recommendation includes small changes to various division line items.

Division of Workers' Compensation: The Division of Workers' Compensation is comprised of five major sections: (1) Customer Service works with injured workers to submit their claim, (2) Dispute Resolution works with employers and injured workers to reach an agreement on claims, (3) Medical Cost Containment is designed to control the expenses of workers' compensation claims, (4) Employer Services works with employers to ensure compliance with the Colorado Workers' Compensation Act, and (5) Special Funds which include the Major Medical Insurance Fund and the Subsequent Injury Fund.

Division of Workers' Compensation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$21,623,988	\$0	\$21,623,988	\$0	\$0	118.0
Long Bill supplemental	55,944	0	55,944	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$21,679,932	\$0	\$21,679,932	\$0	\$0	118.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefit adjustments	372,654	0	372,654	0	0	0.0
Annualize FY 2008-09 hiring freeze	100,756	0	100,756	0	0	0.0
Operating adjustments	31,727	0	31,727	0	0	0.0
Special Funds legal service hours	(14,894)	0	(14,894)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$22,170,175	\$0	\$22,170,175	\$0	\$0	118.0
\$ Change from prior year	\$490,243	\$0	\$490,243	\$0	\$0	0.0
% Change from prior year	2.2%	n/a	2.2%	n/a	n/a	0.0%

Issue Descriptions

Long Bill supplemental: The recommendation reflects an increase of \$55,944 to the FY 2008-09 appropriation for the payment of fees to Central Collection Services in the Department of Personnel.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Operating adjustments: The recommendation reflects increases of: \$15,101 cash funds for the statewide mail equipment and postage increase, and \$16,626 cash funds for Administrative Law Judge Services.

Special Funds legal service hours: The recommendation reduces legal services funding for the Major Medical Insurance Fund by 50 hours and \$3,727 cash funds, and for the Subsequent Injury Fund by 150 hours and \$11,167 cash funds.

Department of Law

Department Description: The Attorney General's Office represents and defends the legal interests of the people of the State of Colorado. It serves as chief legal counsel for state agencies and departments and represents Colorado in state and federal courts. The office works concurrently with Colorado's 22 district attorneys and with other local, state and federal law enforcement authorities to carry out its criminal justice responsibilities and represents the State in criminal appeals. It has primary authority for enforcement of consumer protection laws, antitrust laws, and certain natural resource and environmental laws.

Summary Table for Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$47,776,818	\$8,855,044	\$8,117,746	\$29,706,977	\$1,097,051	392.4
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Administration	(312,345)	80,740	(75,915)	(301,683)	(15,487)	1.0
Legal Services to State Agencies	778,132	0	0	778,132	0	1.0
Criminal Justice and Appellate	821,758	483,856	27,002	92,176	218,724	2.0
Water and Natural Resources	(1,108,265)	95,474	(1,178,739)	(25,000)	0	(3.2)
Consumer Protection	182,074	207,126	(28,714)	3,662	0	1.0
Special Purpose	17,348	346,344	(171,677)	(150,093)	(7,226)	0.0
Total FY 2009-10 JBC Recommendation	\$48,155,520	\$10,068,584	\$6,689,703	\$30,104,171	\$1,293,062	394.2
\$ Change from prior year	\$378,702	\$1,213,540	(\$1,428,043)	\$397,194	\$196,011	1.8
% Change from prior year	0.8%	13.7%	(17.6)%	1.3%	17.9%	0.5%

Recommendation Highlights:

1. Reduces the legal services appropriation for Natural Resource Damage claims at Rocky Mountain Arsenal by \$1,017,924 and 2.4 FTE; the lawsuit to recover Natural Resource Damages at the Rocky Mountain Arsenal has concluded.
2. Reduces the appropriation for salary survey and performance-based pay by \$869,474, in large part due to a decrease of \$1,289,286 in the appropriations for salary survey and performance-based pay.
3. Provides \$441,372 to increase the base salaries of district attorneys, 80 percent of which is paid by the State.

Budget Recommendation Detail by Long Bill Division

Administration: This division contains the Office of the Attorney General, which includes the Attorney General and top deputies, as well as the Department's human resources, accounting/budgeting, information technology, and text management sections. The Division coordinates and oversees the operation of the Department's other divisions and provides support services to the entire department. The Division's

reappropriated funds derive from indirect cost recoveries and from central appropriations that support other divisions. Federal funds reflect centralized appropriations for the Medicaid Fraud Control Unit.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$8,752,179	\$1,354,786	\$493,245	\$6,752,428	\$151,720	41.2
Recommended Changes from FY 2008-09 Appropriation						
Move and reduce building security appropriation	196,693	60,775	16,461	113,970	5,487	0.0
Operating adjustments	187,315	161,258	7,347	20,939	(2,229)	0.0
Annualize salary and benefits adjustments	132,438	132,438	0	0	0	0.0
New Assistant Solicitor General	93,353	6,882	0	86,471	0	1.0
Postage increase	1,186	1,186	0	0	0	0.0
Central appropriations	(869,474)	(213,864)	(90,874)	(547,499)	(17,237)	0.0
Disaster Recovery	(45,600)	(14,123)	(3,218)	(26,984)	(1,275)	0.0
ADP capital outlay	(8,256)	(4,587)	0	(3,669)	0	0.0
Fund mix adjustment	0	(49,225)	(5,631)	55,089	(233)	0.0
Total FY 2009-10 JBC Recommendation	\$8,439,834	\$1,435,526	\$417,330	\$6,450,745	\$136,233	42.2
\$ Change from prior year	(\$312,345)	\$80,740	(\$75,915)	(\$301,683)	(\$15,487)	1.0
% Change from prior year	(3.6)%	6.0%	(15.4)%	(4.5)%	(10.2)%	2.4%

Issue Descriptions

Move and reduce building security appropriation: The recommendation moves the appropriation for security at the State Services Building, where the Department of Law is housed, to the Administration division and reduces it by \$62,339.

Operating adjustments: The recommendation includes increases for the following items, which are governed by common policy: Payment to Risk Management and Property Funds, Vehicle Lease, and Capitol Complex Leased Space. It also includes IT Asset Maintenance and Leased Space, which are not common-policy items.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

New Assistant Solicitor General: The recommendation includes funding for an Assistant Solicitor General who will help the Solicitor General.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Central appropriations: These items are appropriated to the Administration Division and are then used throughout the Department. The recommendation includes increased appropriations for health, life, and dental, short term disability, S.B. 04-257 amortization equalization disbursement, S.B. 06-235 supplemental amortization equalization disbursement, and workers' compensation. Netted against these increases is a \$1,289,286 decrease of the appropriations for salary survey and performance-based pay.

Disaster Recovery: The recommendation eliminates one-time funding for a study of the Department's disaster-recovery needs.

ADP capital outlay: ADP capital outlay is used to acquire personal computers and office equipment for new FTE that are added by Long Bill decision items and by special bills. The reduction reflects the fact that fewer additional FTE are recommended this year.

Fund mix adjustment: The recommendation makes greater use of indirect cost recoveries.

Legal Services to State Agencies: The Department of Law provides legal services on a fee-for-service basis to state agencies and enterprises. The Legal Services to State Agencies division contains appropriations for the attorneys, paralegals, and support personnel who provide these services. In FY 2009-10, the Department anticipates providing 330 thousand hours of service at an average billing rate of \$75.38 per hour, a 0.4 percent increase over the FY 2008-09 average rate of \$75.10 per hour. The Division's cash funds come from legal services provided to state enterprises, while reappropriated funds come from legal services provided to other state agencies.

Legal Services to State Agencies	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$21,854,146	\$0	\$1,000,000	\$20,854,146	\$0	216.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	749,754	0	0	749,754	0	0.0
Legal Services	83,570	0	0	83,570	0	0.6
Impact of bills from previous sessions	30,180	0	0	30,180	0	0.3
Indirect cost assessment	21,675	0	0	21,675	0	0.0
Postage increase	4,052	0	0	4,052	0	0.0
Legal rate reconciliation	(111,099)	0	0	(111,099)	0	0.1
Total FY 2009-10 JBC Recommendation	\$22,632,278	\$0	\$1,000,000	\$21,632,278	\$0	217.5
\$ Change from prior year	\$778,132	\$0	\$0	\$778,132	\$0	1.0
% Change from prior year	3.6%	n/a	0.0%	3.7%	n/a	0.5%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Legal Services: The recommendation provides increased legal services in support of decision items for other departments.

Impact of bills from previous sessions: The recommendation reflects the second year effect of prior session bills that required the Department of Law to supply legal services to other departments.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Legal rate reconciliation: The recommendation aligns the appropriation with funding needs of the division.

Criminal Justice and Appellate: This division includes the following units:

- Special Prosecutions Unit - Investigates and prosecutes insurance, securities and workers' compensation fraud; gang-related criminal activity; complex crimes; environmental crimes; and assists district attorneys investigating, and prosecuting homicide cases. The unit also handles death-penalty appeals in state and federal courts, coordinates the activities of the state's grand jury and works with the Mexican government to prosecute Mexican citizens who commit crimes in Colorado and flee to Mexico.
- Appellate Unit - Represents Colorado when felony convictions are appealed in state and federal courts.
- Medicaid Fraud Control Unit - Investigates and prosecutes criminal fraud involving Colorado's Medicaid program as well as patient abuse at Medicaid-funded facilities in Colorado.
- Peace Officers Standards and Training (P.O.S.T.) Board - Certifies and helps train peace officers appointed by state and local law enforcement agencies.
- Victim's Assistance - Provides information to crime victims when the Department handles criminal appeals and when it prosecutes individuals in a trial court.

Cash funds for workers' compensation fraud come from the State Compensation Insurance Authority, while cash funds for the P.O.S.T. Board come from fees paid by peace officers and from a 25 cent statewide vehicle registration fee. Reappropriated funds for securities and insurance fraud activities come from the Department of Regulatory Agencies, while reappropriated funds for victim's assistance come from the Department of Public Safety. Federal moneys support the Medicaid Fraud Control Unit.

Criminal Justice and Appellate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$7,779,677	\$4,150,310	\$1,497,209	\$1,194,053	\$938,105	81.0
Recommended Changes from FY 2008-09 Appropriation						
Reverse temporary FY 2008-09 appropriation adjustments	290,000	230,000	0	0	60,000	0.0
Annualize salary and benefits adjustments	266,491	169,590	27,826	35,740	33,335	0.0
Indirect cost assessment	127,196	0	(1,313)	(1,730)	130,239	0.0
Third year impact of H.B. 07-1054	86,515	86,515	0	0	0	1.0
Forensic accountant for the Special Prosecutions Unit	81,838	27,279	0	54,559	0	1.0
Postage increase	925	436	489	0	0	0.0
Implementation of H.B. 08-1397	(31,207)	(31,207)	0	0	0	0.0
Fund mix adjustment	0	1,243	0	3,607	(4,850)	0.0
Consolidate Units	0	0	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$8,601,435	\$4,634,166	\$1,524,211	\$1,286,229	\$1,156,829	83.0
\$ Change from prior year	\$821,758	\$483,856	\$27,002	\$92,176	\$218,724	2.0
% Change from prior year	10.6%	11.7%	1.8%	7.7%	23.3%	2.5%

Issue Descriptions

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Third year impact of H.B. 07-1054: The Legislative Council Staff Fiscal Note for House Bill 07-1054 (Increase Number of Judges), indicated that the Department of Law should add 3.0 FTE in FY 2008-09. The recommendation adds 1.0 FTE.

Forensic accountant for the Special Prosecutions Unit: The recommendation includes 1.0 FTE for a forensic accountant who will support securities, insurance, and other fraud investigations.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Implementation of H.B. 08-1397: The Legislative Council Staff Fiscal Note for H.B. 08-1397 (Disposition of Evidence in Criminal Cases), indicated that the Department of Law required an extra \$16,293 in FY 2009-10 for implementation, in addition to \$81,207 of General Fund received in FY 2008-09. The recommendation reduces these appropriations.

Fund mix adjustment: The recommendation reflects an anticipated decrease in federal funding and offsetting use of General Fund and cash funds.

Consolidate Units: The recommendation consolidates the Special Prosecutions Unit, the Securities Fraud Unit, the Insurance Fraud Unit, and the Capital Crimes Unit, which are now separately appropriated in the Long Bill, into a single appropriation.

Water and Natural Resources: This division protects and defends Colorado and its citizens in matters relating to natural resources and water law, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites, the proper storage or disposal of hazardous waste, and protection of the state's air and water. The Division contains two units:

- The Federal and Interstate Water Unit, which provides legal counsel and representation for cases involving federal water rights, compliance with federal regulatory programs, and interstate water allocation agreements such as the Colorado River Basin Compact.
- The CERCLA Unit, which leads enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Cash funds come from the Colorado Water Conservation Board's Litigation Fund, the Hazardous Substance Response Fund, and attorney fees and costs recovered by the Department, while reappropriated funds come from the Department of Public Health and Environment.

Water and Natural Resources	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,354,644	\$871,698	\$2,007,068	\$475,878	\$0	16.2
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	56,426	56,426	0	0	0	0.0
Rocky Mountain Arsenal Natural Resource Damages	(1,017,924)	0	(1,017,924)	0	0	(2.4)
Defense of the Colorado River Compact	(87,017)	(15,346)	(71,671)	0	0	0.0
Reverse temporary FY 2008-09 appropriation adjustments	(59,144)	30,000	(89,144)	0	0	0.0
Reduce CERCLA program	(606)	24,394	0	(25,000)	0	(0.8)
Total FY 2009-10 JBC Recommendation	\$2,246,379	\$967,172	\$828,329	\$450,878	\$0	13.0
\$ Change from prior year	(\$1,108,265)	\$95,474	(\$1,178,739)	(\$25,000)	\$0	(3.2)
% Change from prior year	(33.0)%	11.0%	(58.7)%	(5.3)%	n/a	(19.8)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Rocky Mountain Arsenal Natural Resource Damages: The lawsuit to recover Natural Resource Damages at the Rocky Mountain Arsenal from the U.S. Army and Shell Oil Company has recovered \$35 million, which can only be used to acquire or improve similar natural resources; the recommendation reduces funding to \$195,000, the amount needed for legal work to implement the settlement.

Defense of the Colorado River Compact: The recommendation sets the appropriation in line with recent expenditures.

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Reduce CERCLA program: The recommendation continues a reduction included in the Department's FY 2008-09 supplemental bill. The amount of work done by the CERCLA unit has been slowly declining.

Consumer Protection: The Consumer Protection section includes the following programs:

- Antitrust Program - Investigates and prosecutes antitrust violations involving such practices as price fixing, bid rigging, and attempts to monopolize a market or industry.
- Consumer Protection Program - Investigates and prosecutes deceptive or fraudulent trade and advertising practices in such areas as telephone solicitation, health clubs, automobile repossession, and manufactured home sales.
- Collection Agency Board - Enforces Colorado's Fair Debt Collection Practices Act, which protect creditor firms who engage collection agencies to collect debts on their behalf, and the debtor consumers who are the subject of the collection efforts of those agencies.
- Uniform Consumer Credit Code Program - Regulates debt management and credit repair services, payday lending and rent-to-own agreements, and certain high cost mortgages. The program protects borrowers from abusive practices, such as interest rates that exceed legal limits, excessive prepayment penalties, and inadequate disclosure of the cost of credit.

The Division's cash funds derive from fees paid by regulated entities, custodial funds awarded to the Department for consumer protection purposes, and tobacco settlement moneys. Reappropriated funds come from the Department of Regulatory Agencies.

Consumer Protection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,324,904	\$720,978	\$2,323,547	\$280,379	\$0	37.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	127,185	42,289	80,771	4,125	0	0.0
Reverse temporary FY 2008-09 appropriation adjustments	33,495	153,495	(120,000)	0	0	0.0
Replace temporary call center workers with a full time FTE	10,832	10,832	0	0	0	1.0
Indirect cost assessment	8,466	0	8,929	(463)	0	0.0
Postage increase	2,096	510	1,586	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,506,978	\$928,104	\$2,294,833	\$284,041	\$0	38.5
\$ Change from prior year	\$182,074	\$207,126	(\$28,714)	\$3,662	\$0	1.0
% Change from prior year	5.5%	28.7%	(1.2)%	1.3%	n/a	2.7%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Replace temporary call center workers with a full time FTE: The recommendation includes 1.0 FTE to staff the Department's Call Center, which receives telephone, e-mail and mail complaints regarding consumer protection, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, credit repair, and other matters. This FTE will replace the series of temporary workers who have been staffing the center.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Special Purpose: This section contains the appropriation that pays the base salaries of Colorado's twenty-two district attorneys, as well as appropriations for programs that do not fit elsewhere in the Department's budget, such as tobacco-settlement litigation. The Litigation Management and Technology Fund line item provides funding for unanticipated legal expenditures and for information technology projects. Cash funds derive from the surplus earned by the Legal Services to State Agencies program and from tobacco settlement moneys.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,711,268	\$1,757,272	\$796,677	\$150,093	\$7,226	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Third year impact of H.B. 07-1170	441,372	441,372	0	0	0	0.0
Move building security appropriation to the Administration division	(259,032)	(80,036)	(21,677)	(150,093)	(7,226)	0.0
Return Litigation Management Fund appropriation to base levels	(150,000)	0	(150,000)	0	0	0.0
Reduce legal service support for HIPAA	(14,992)	(14,992)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,728,616	\$2,103,616	\$625,000	\$0	\$0	0.0
\$ Change from prior year	\$17,348	\$346,344	(\$171,677)	(\$150,093)	(\$7,226)	0.0
% Change from prior year	0.6%	19.7%	(21.5)%	(100.0)%	(100.0)%	n/a

Issue Descriptions

Third year impact of H.B. 07-1170: House Bill 07-1170 (Compensation of Elected DA's) increased the base salaries of district attorneys, 80 percent of which is paid by the state, each year until 2012. This increase cannot constitutionally be avoided.

Move building security appropriation to the Administration division: The recommendation moves the appropriation for this department-wide function to the Administration division.

Return Litigation Management Fund appropriation to base levels: The Department's FY 2008-09 supplemental bill took advantage of some extra revenue available to this fund that is not now available.

Reduce legal service support for HIPAA: The Department receives an appropriation to provide HIPAA legal support to state General Fund programs. The need for such legal advice has been declining.

Legislative Branch

Department Description: The Legislative Branch includes the elected officials of the House of Representatives and the Senate and the necessary staff to support them in their duties and responsibilities. The staff includes those assigned to both the House and the Senate; the State Auditor's Office; the Joint Budget Committee; the Legislative Council; the Office of Legislative Legal Services; and the Colorado Reapportionment Commission. The majority of the legislative appropriation is contained in a separate legislative appropriation bill. However, several specific lines are contained in the Long Bill. This narrative only addresses the lines contained in the Long Bill.

Summary Table for Legislative Branch						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,661,757	\$2,661,757	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Legislative Council	250,000	0	0	250,000	0	0.0
General Assembly	27,086	27,086	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,938,843	\$2,688,843	\$0	\$250,000	\$0	0.0
\$ Change from prior year	\$277,086	\$27,086	\$0	\$250,000	\$0	0.0
% Change from prior year	10.4%	1.0%	n/a	n/a	n/a	n/a

Recommendation Highlights:

1. Contains various changes in the centrally appropriated line items that result in an increase of \$27,086 General Fund.
2. Provides an increase of \$250,000 reappropriated funds for the school district cost-of-living analysis.

Budget Recommendation Detail by Long Bill Division

Legislative Council: This section contains line items the Legislative Branch is required by statute or the Constitution to fund.

Legislative Council	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,130,500	\$1,130,500	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Cost of Living Analysis	250,000	0	0	250,000	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,380,500	\$1,130,500	\$0	\$250,000	\$0	0.0
\$ Change from prior year	\$250,000	\$0	\$0	\$250,000	\$0	0.0
% Change from prior year	22.1%	0.0%	n/a	n/a	n/a	n/a

Issue Descriptions

Cost of Living Analysis: Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost-of-living analysis that is typically conducted through a contract. The funds are transferred from the Department of Education for the cost of the study.

General Assembly: This section contains line items associated with statewide appropriations, such as workers' compensation, legal services, purchase of services from the computer center, risk management, and capitol complex leased space.

General Assembly	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,531,257	\$1,531,257	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Operating adjustments	27,086	27,086	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,558,343	\$1,558,343	\$0	\$0	\$0	0.0
\$ Change from prior year	\$27,086	\$27,086	\$0	\$0	\$0	0.0
% Change from prior year	1.8%	1.8%	n/a	n/a	n/a	n/a

Issue Descriptions

Operating adjustments: The recommendation contains various changes in centrally appropriated line items. These centrally appropriated line items include workers' compensation, payments to risk management and property funds, legal services, purchase of services from the computer center, and capitol complex. Operating adjustments are a function of recoverable costs in the Department of Personnel and Administration or the Department of Law, as is the case with legal services, that are allocated to other departments based on a proportionate share of risk or utilization.

Department of Local Affairs

Department Description: The Department is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Major divisions include the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Government.

Summary Table for Department of Local Affairs						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$263,367,107	\$12,352,639	\$190,783,749	\$5,324,722	\$54,905,997	180.5
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	(406,331)	(249,668)	(20,442)	23,413	(159,634)	0.0
Property Taxation	214,945	(300,686)	32,595	483,036	0	0.0
Division of Housing	36,342,444	(67,909)	128,376	34,150	36,247,827	1.2
Division of Local Government	68,731,484	134,351	67,736,877	284,820	575,436	(0.1)
Division of Emergency Management	1,938,803	83,827	0	8,990	1,845,986	4.9
Total FY 2009-10 JBC Recommendation	\$370,188,452	\$11,952,554	\$258,661,155	\$6,159,131	\$93,415,612	186.5
\$ Change from prior year	\$106,821,345	(\$400,085)	\$67,877,406	\$834,409	\$38,509,615	6.0
% Change from prior year	40.6%	(3.2)%	35.6%	15.7%	70.1%	3.3%

¹ This amount includes a General Fund Exempt appropriation.

Recommendation Highlights:

1. Reflects estimated cash fund increases of \$44.0 million in severance tax revenues, \$22.1 million in federal mineral lease revenues, \$1.4 million in Conservation Trust Fund disbursements, and \$1.2 million in waste tire recycling, reuse, and removal grants.
2. Reflects a \$38.2 million increase in revenues related to housing, including a one-time \$36.2 million increase in federal affordable housing construction grants and loans from the Neighborhood Stabilization Program.
3. Reduces \$643,059, including \$254,440 General Fund, with the exclusion of increases for salary survey and performance-based pay.
4. Adds \$606,140, including \$183,715 General Fund, for salary and benefit adjustments.
5. Adds \$500,000 General Fund to provide state funding for grants and loans for the rehabilitation, acquisition, and maintenance of affordable, safe, sanitary housing for low-income households.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation to this office includes centrally-appropriated funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$4,501,650	\$1,722,921	\$407,906	\$1,718,182	\$652,641	13.2
Recommended Changes from FY 2008-09 Appropriation						
Centrally-appropriated line items	109,253	71,640	21,265	12,149	4,199	0.0
Annualize salary and benefits adjustments	52,182	0	0	52,182	0	0.0
Moffat tunnel improvement district spending authority	44,486	0	44,486	0	0	0.0
Pre-disaster mitigation program	18,903	4,726	0	0	14,177	0.0
Operating adjustments	6,573	2,684	0	196	3,693	0.0
Annualize prior year funding	5,331	728	0	4,603	0	0.0
Fund source adjustment	0	(75,006)	0	75,006	0	0.0
Eliminate salary survey and performance-based pay	(643,059)	(254,440)	(86,193)	(120,723)	(181,703)	0.0
Total FY 2009-10 JBC Recommendation	\$4,095,319	\$1,473,253	\$387,464	\$1,741,595	\$493,007	13.2
\$ Change from prior year	(\$406,331)	(\$249,668)	(\$20,442)	\$23,413	(\$159,634)	0.0
% Change from prior year	(9.0)%	(14.5)%	(5.0)%	1.4%	(24.5)%	0.0%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from the state's computer center, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Moffat tunnel improvement district spending authority: The recommendation includes an increase of \$44,486 cash funds spending authority for title and engineering issues, as well as legal matters related to the operation of the tunnel.

Pre-disaster mitigation program: The recommendation includes state matching moneys to qualify for a three-to-one federal-to-state match for FTE and operating expenses for the Pre-Disaster Mitigation (PDM) Grant Program.

Operating adjustments: The recommendation reflects an increase of \$6,573, including \$2,684 General Fund, related to contractual leased space adjustments.

Annualize prior year funding: The recommendation reflects an increase of \$5,331, including \$728 General Fund, related to increases for prior year budget adjustments.

Fund source adjustment: The recommendation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Property Taxation: This section provides funding for the Division of Property Taxation, which: issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties.

Property Taxation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,428,730	\$1,974,794	\$672,172	\$781,764	\$0	53.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	135,210	70,930	32,595	31,685	0	0.0
Annualize FY 2008-09 hiring freeze	37,051	0	0	37,051	0	0.0
Indirect cost assessment	35,808	(378,492)	0	414,300	0	0.0
Postage increase	4,327	4,327	0	0	0	0.0
Annualize prior year funding	2,549	2,549	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,643,675	\$1,674,108	\$704,767	\$1,264,800	\$0	53.5
\$ Change from prior year	\$214,945	(\$300,686)	\$32,595	\$483,036	\$0	0.0
% Change from prior year	6.3%	(15.2)%	4.8%	61.8%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize prior year funding: The recommendation includes various increases related to prior year funding.

Division of Housing: The Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings.

Division of Housing	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$32,843,561	\$2,692,306	\$1,369,802	\$268,539	\$28,512,914	33.8
Recommended Changes from FY 2008-09 Appropriation						
Anticipated federal revenue increases	36,188,674	0	0	0	36,188,674	1.2
Annualize salary and benefits adjustments	124,672	32,091	34,129	8,808	49,644	0.0
Indirect cost assessment	99,340	0	65,514	25,342	8,484	0.0
Annualize FY 2008-09 hiring freeze	30,089	0	30,089	0	0	0.0
Postage increase	1,668	0	643	0	1,025	0.0
Annualize prior year funding	(101,999)	(100,000)	(1,999)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$69,186,005	\$2,624,397	\$1,498,178	\$302,689	\$64,760,741	35.0
\$ Change from prior year	\$36,342,444	(\$67,909)	\$128,376	\$34,150	\$36,247,827	1.2
% Change from prior year	110.7%	(2.5)%	9.4%	12.7%	127.1%	3.6%

Issue Descriptions

Anticipated federal revenue increases: The recommendation reflects a \$38.2 million increase in revenues, including a one-time \$36.2 million increase in federal affordable housing construction grants and loans from the federal Neighborhood Stabilization Program.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize prior year funding: The recommendation includes the elimination of one-time appropriations, including \$100,000 General Fund appropriation for foreclosure prevention grants (H.B. 08-1402) and \$3,342 related to the Manufactured Building Program (H.B. 08-1319), as well as an increase of \$1,457 cash funds to restore one-time FY 2008-09 supplemental reductions.

Division of Local Government: This division: provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues; and it manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices.

Division of Local Government	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$204,526,789	\$5,461,591	\$183,822,881	\$2,485,575	\$12,756,742	55.5
Recommended Changes from FY 2008-09 Appropriation						
Local government mineral and energy impact grants and disbursements	66,100,000	0	66,100,000	0	0	0.0
Conservation Trust Fund disbursements	1,400,000	0	1,400,000	0	0	0.0
Waste tire programs	1,200,000	0	1,200,000	0	0	0.0
Community Services Block Grants	309,053	0	0	0	309,053	0.0
Community Development Block Grants	230,024	0	0	0	230,024	0.0
Annualize salary and benefits adjustments	186,747	63,744	15,844	72,904	34,255	0.0
Indirect cost assessment	160,941	0	45,470	113,367	2,104	0.0
Annualize FY 2008-09 hiring freeze	136,253	32,770	0	103,483	0	0.0
Volunteer fire fighter retirement plans	97,289	97,289	0	0	0	0.0
Postage increase	873	0	0	873	0	0.0
Limited gaming impact grants	(874,437)	0	(874,437)	0	0	0.0
Annualize prior year funding	(215,259)	(59,452)	(150,000)	(5,807)	0	(0.1)
Total FY 2009-10 JBC Recommendation	\$273,258,273	\$5,595,942	\$251,559,758	\$2,770,395	\$13,332,178	55.4

Division of Local Government	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$68,731,484	\$134,351	\$67,736,877	\$284,820	\$575,436	(0.1)
% Change from prior year	33.6%	2.5%	36.8%	11.5%	4.5%	(0.2)%

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$5,461,591	\$1,416,968	\$4,044,623
Volunteer firefighter retirement plans	97,289	0	97,289
Annualize salary and benefits adjustments	63,744	63,744	0
Annualize FY 2008-09 hiring freeze	32,770	32,770	0
Annualize prior year funding	(59,452)	(59,452)	0
Eliminate General Fund Exempt amount based on FY 2009-10 revenue projections	<u>0</u>	<u>4,141,912</u>	<u>(4,141,912)</u>
Total FY 2009-10 Long Bill Recommendation	\$5,595,942	\$5,595,942	\$0

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2008-09 and FY 2009-10 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

Issue Descriptions

Local government mineral and energy impact grants and disbursements: The recommendation reflects a higher amount of funding for this program based on projected revenues that will be credited to the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund.

Conservation Trust Fund disbursements: The recommendation reflects a projected increase in disbursements from the Conservation Trust Fund based on projected lottery revenues.

Waste tire programs: The recommendation increases fee revenues allocated to funds administered by this Department based on projected revenues.

Community Services Block Grant: The recommendation reflects an anticipated increase in the federal Community Services Block Grant.

Community Development Block Grant: The recommendation reflects a projected increase in federal funds for business and infrastructure development through the Community Development Block Grant program.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Volunteer firefighter retirement plans: The recommendation includes an increase for the State's contributions for local volunteer firefighter retirement plans and death and disability insurance.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Limited gaming impact grants: The recommendation includes a decrease in limited gaming impact grants based on projected limited gaming revenues that will be credited to the Local Government Limited Gaming Impact Fund.

Annualize prior year funding: The recommendation includes the elimination of one-time appropriations, including \$150,000 cash funds for United Health Rural Health Care Grants and \$5,807 and 0.1 FTE related to federal mineral lease revenue distributions (S.B. 08-218), as well as the elimination of \$62,000 General Fund related to the Heritage Grant Fund Program and an increase of \$1,274 General Fund related to the restoration of one-time FY 2008-09 supplemental reductions.

Emergency Management: This division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. The Colorado Emergency Planning Commission, established within this Department, is charged with designating local emergency planning districts (as required by federal law), as well as assisting in the appropriate training of personnel to react to emergency response situations.

Emergency Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$18,066,377	\$501,027	\$4,510,988	\$70,662	\$12,983,700	24.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Disaster preparedness grants	1,464,648	0	0	0	1,464,648	1.0
Pre-disaster mitigation program	270,833	66,148	0	0	204,685	3.9
Annualize salary and benefits adjustments	107,329	16,950	0	2,028	88,351	0.0
Indirect cost assessment	94,065	0	0	6,962	87,103	0.0
Postage increase	1,199	0	0	0	1,199	0.0
Annualize prior year funding	729	729	0	0	0	0.0

Emergency Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2009-10 JBC Recommendation	\$20,005,180	\$584,854	\$4,510,988	\$79,652	\$14,829,686	29.4
\$ Change from prior year	\$1,938,803	\$83,827	\$0	\$8,990	\$1,845,986	4.9
% Change from prior year	10.7%	16.7%	0.0%	12.7%	14.2%	20.0%

Issue Descriptions

Disaster preparedness grants: The recommendation reflects a projected \$1.5 million increase in federal funds for disaster preparedness grants.

Pre-disaster mitigation program: The recommendation includes \$270,833, including \$66,148 General Fund in state matching moneys to qualify for a three-to-one federal-to-state match for 3.9 FTE and operating expenses for the Pre-Disaster Mitigation (PDM) Grant Program. The PDM program dedicates mitigation specialists to assist Colorado communities develop mitigation approaches through planning and projects that protect citizens in the most effective manner possible.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize prior year funding: The recommendation reflects an increase related to the restoration of one-time FY 2008-09 supplemental reductions.

Department of Military and Veterans Affairs

Department Description: The Department provides trained and ready military forces for the U.S. active armed services, and for preserving life and property during natural disasters and civil emergencies in Colorado; supports federal and state homeland security missions; maintains equipment and facilities for state military forces; provides for safekeeping the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Summary Table for Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$203,004,874	\$5,685,713	\$958,889	\$653,509	\$195,706,763	1,386.9
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Executive Director and Army National Guard	(41,878)	69,393	(4,363)	0	(106,908)	0.0
Division of Veterans Affairs	86,609	70,376	16,233	0	0	0.0
Air National Guard	243,600	74,944	0	0	168,656	0.0
Federal Funded Programs	(65,500)	0	0	0	(65,500)	0.0
Civil Air Patrol	2,823	2,823	0	0	0	0.0
Total FY 2009-10 JBC Long Bill Recommendation	\$203,230,528	\$5,903,249	\$970,759	\$653,509	\$195,703,011	1,386.9
\$ Change from prior year	\$225,654	\$217,536	\$11,870	\$0	(\$3,752)	0.0
% Change from prior year	0.1%	3.8%	1.2%	0.0%	0.0%	0.0%

Recommendation Highlights:

- Increases Colorado National Guard Tuition Fund expenditures by \$70,354 to reflect increased use of the tuition assistance program by members of the Colorado National Guard.
- Decreases Construction in Federal Funded programs by \$4,500,000 to reflect a decrease in Federal construction dollars coming to the State for armory and other projects. This decrease is largely offset with increases in personal services and operating expenses.

Budget Recommendation Detail by Long Bill Division

Executive Director and Army National Guard: The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 100 percent of maintenance and utilities costs at fifteen armories, and 20 or 25 percent of the costs at four other facilities. Most of the Department's General Fund personnel expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities.

Executive Director and Army National Guard	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$10,341,612	\$4,305,097	\$106,397	\$650,000	\$5,280,118	85.8
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Army National Guard cooperative agreement with federal government	110,147	0	0	0	110,147	0.0
Annualize salary and benefits adjustments	98,247	87,855	162	0	10,230	0.0
Colorado National Guard Tuition Fund	70,354	70,354	0	0	0	0.0
Annualize prior year funding	32,178	32,178	0	0	0	0.0
Centrally-appropriated line items	10,122	7,688	246	0	2,188	0.0
Annualize FY 2008-09 hiring freeze	10,000	10,000	0	0	0	0.0
Eliminate salary survey and performance-based pay	(358,992)	(124,748)	(4,771)	0	(229,473)	0.0
Operating expenses	(8,934)	(8,934)	0	0	0	0.0
Reduction in information technology asset maintenance	(5,000)	(5,000)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$10,299,734	\$4,374,490	\$102,034	\$650,000	\$5,173,210	85.8
\$ Change from prior year	(\$41,878)	\$69,393	(\$4,363)	\$0	(\$106,908)	0.0
% Change from prior year	(0.4)%	1.6%	(4.1)%	0.0%	(2.0)%	0.0%

Issue Descriptions

Army National Guard cooperative agreement with federal government: The recommendation reflects an expected increase in federal funds under the Army National Guard cooperative agreement.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director and Army National Guard Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Colorado National Guard Tuition Fund: The recommendation increases funding from the General Fund and recommends the maximum amount allowed in statute from Department of Higher Education Financial Aid funds to the Colorado National Guard tuition fund.

Annualize prior year funding: The recommendation restores funding for one-time reductions in the appropriations for operating expenses and information technology asset maintenance.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the

Public Employees' retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Operating expenses: The recommendation includes a reduction for operating expenses.

Reduction in Information Technology Asset Maintenance: The recommendation includes a reduction in the information technology asset maintenance line item.

Division of Veterans Affairs: The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and maintains the Western Slope Veterans' Cemetery in Grand Junction. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which is derived from tobacco settlement proceeds.

Division of Veterans Affairs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,769,339	\$862,338	\$852,492	\$3,509	\$51,000	12.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize prior year funding	67,500	67,500	0	0	0	0.0
Annualize salary and benefits adjustments	29,698	25,376	4,322	0	0	0.0
Colorado State Veterans Trust Fund expenditures	11,911	0	11,911	0	0	0.0
Reduce County Veterans Service Officer Payments	(22,500)	(22,500)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,855,948	\$932,714	\$868,725	\$3,509	\$51,000	12.5
\$ Change from prior year	\$86,609	\$70,376	\$16,233	\$0	\$0	0.0
% Change from prior year	4.9%	8.2%	1.9%	0.0%	0.0%	0.0%

Issue Descriptions

Annualize prior year funding: The recommendation includes increases associated with restoring one-time funding reductions of \$67,500.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director and Army National Guard Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Colorado State Veterans Trust Fund expenditures: The recommendation increases the appropriation for Veterans Trust Fund expenditures. The fund receives one percent, up to \$1 million of the proceeds from the Master Tobacco Settlement. Current law provides that the Department can expend 45 percent of the transfer in FY 2009-10, down from 55 percent in FY 2008-09. This provision reduces the expenditure from the transfer by approximately \$100,000, but that reduction is offset by an increase in interest earnings on the Trust Fund.

Reduce County Veterans Service Officer Payments: The recommendation reduces payments for the pilot program for County Veterans Service Officer payments by \$22,500.

Air National Guard: This division provides funding for personal services, operating expenses, and utilities for the Buckley and Greeley Air National Guard bases. The state's share of operating and maintenance costs varies under its agreements with the federal government, based on the type and use of the building and whether it is on state or federal land. The federal government pays the state to employ five full-time security guards at the space command facility at Greeley.

Air National Guard	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,122,596	\$390,937	\$0	\$0	\$2,731,659	48.6
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	104,912	9,863	0	0	95,049	0.0
Annualize FY 2008-09 hiring freeze	92,009	18,402	0	0	73,607	0.0
Annualize prior year funding	46,679	46,679	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,366,196	\$465,881	\$0	\$0	\$2,900,315	48.6
\$ Change from prior year	\$243,600	\$74,944	\$0	\$0	\$168,656	0.0
% Change from prior year	7.8%	19.2%	n/a	n/a	6.2%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director and Army National Guard

Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation includes increases associated with restoring one-time FY 2008-09 funding reductions.

Federal Funded Programs: This section of the Long Bill is included for informational purposes only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training each weekend and two weeks per year for members of the Colorado National Guard. The requested level of federal funding reflects estimates of the federal appropriation for federal fiscal year 2008.

Federal Funded Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$187,643,986	\$0	\$0	\$0	\$187,643,986	1,239.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Changes in Federal Funded Programs	(65,500)	0	0	0	(65,500)	0.0
Total FY 2009-10 JBC Recommendation	\$187,578,486	\$0	\$0	\$0	\$187,578,486	1,239.0
\$ Change from prior year	(\$65,500)	\$0	\$0	\$0	(\$65,500)	0.0
% Change from prior year	0.0%	n/a	n/a	n/a	0.0%	0.0%

Issue Descriptions

Federal Funded Programs: The recommendation reflects an expected decrease in federal construction funds, offsetting an increase in personal services for salaries and benefits for National Guard members and an increase in operating expenses.

Civil Air Patrol: The Civil Air Patrol is a federally-chartered nonprofit corporation, created as an auxiliary to the U.S. Air Force and funded primarily by the U.S. Air Force and user fees. The statutory purposes of the organization include: encouraging citizens to contribute to developing aviation and maintaining air supremacy; providing aviation education and training; and fostering civil aviation in local communities. The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing.

Civil Air Patrol	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$127,341	\$127,341	\$0	\$0	\$0	1.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	2,823	2,823	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$130,164	\$130,164	\$0	\$0	\$0	1.0
\$ Change from prior year	\$2,823	\$2,823	\$0	\$0	\$0	0.0
% Change from prior year	2.2%	2.2%	n/a	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director and Army National Guard Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Department of Natural Resources

Department Description: The Department is responsible for developing, protecting and enhancing Colorado's natural resources. The Department is comprised of the following agencies and divisions: Executive Director's Office; Reclamation, Mining, and Safety; Geological Survey; Oil and Gas Conservation Commission; State Board of Land Commissioners; Parks and Outdoor Recreation; Colorado Water Conservation Board; Water Resources (State Engineer's Office); and the Division of Wildlife.

Summary Table for Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$234,169,579	\$31,057,499	\$178,401,019	\$7,377,769	\$17,333,292	1,546.8
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	(12,847,197)	(364,961)	(12,407,315)	(107,491)	32,570	0.4
Reclamation, Mining, and Safety	286,606	0	102,315	0	184,291	(0.2)
Geological Survey	286,502	0	269,152	40,456	(23,106)	0.0
Oil and Gas Conservation Commission	(1,331,773)	0	(1,329,645)	0	(2,128)	0.0
State Board of Land Commissioners	120,286	0	120,286	0	0	0.0
Parks and Outdoor Recreation	(1,586,015)	(1,681,917)	82,839	0	13,063	0.0
Colorado Water Conservation Board	(6,324,160)	0	(6,327,102)	0	2,942	0.0
Water Resources Division	672,018	1,174,872	(514,849)	0	11,995	(1.9)
Division of Wildlife	676,366	0	674,354	0	2,012	0.0
Total FY 2009-10 JBC Recommendation	\$214,122,212	\$30,185,493	\$159,071,054	\$7,310,734	\$17,554,931	1,545.1
\$ Change from prior year	(\$20,047,367)	(\$872,006)	(\$19,329,965)	(\$67,035)	\$221,639	(1.7)
% Change from prior year	(8.6)%	(2.8)%	(10.8)%	(0.9)%	1.3%	(0.1)%

Recommendation Highlights:

1. Provides \$1.8 million in benefits increases for Health, Life, and Dental insurance, Amortization Equalization Disbursement, and Supplemental Amortization Equalization Disbursement.
2. Provides \$940,000 for centrally-appropriated operating adjustments.
3. Includes a total of \$4.5 million in salary survey and anniversary pay increases awarded in FY 2008-09, but eliminates \$4.8 million for salary survey and anniversary pay increases in FY 2009-10.
4. Includes a \$1.9 million State Parks operations reduction.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$46,224,770	\$6,192,712	\$32,531,082	\$6,248,716	\$1,252,260	59.4
Recommended Changes from FY 2008-09 Appropriation						
Benefits adjustments	1,816,444	307,186	1,267,662	83,234	158,362	0.0
Operating Adjustments	941,453	(51,077)	986,003	16,650	(10,123)	0.0
Annualize salary and benefits adjustments	235,798	0	0	235,798	0	0.0
Annualize FY 2008-09 hiring freeze	84,240	84,240	0	0	0	0.0
Leased space adjustments	24,626	34,329	(9,870)	0	167	0.0
Annualize funding for S.B. 07-228	22,099	22,099	0	0	0	0.4
Eliminate one-time funding	(11,163,886)	0	(11,163,886)	0	0	0.0
Eliminate salary survey and performance-based pay increases	(4,801,285)	(949,175)	(3,487,224)	(249,050)	(115,836)	0.0
End department participation in State Fair	(6,686)	(6,686)	0	0	0	0.0
Fund mix adjustment	0	194,123	0	(194,123)	0	0.0
Total FY 2009-10 JBC Recommendation	\$33,377,573	\$5,827,751	\$20,123,767	\$6,141,225	\$1,284,830	59.8
\$ Change from prior year	(\$12,847,197)	(\$364,961)	(\$12,407,315)	(\$107,491)	\$32,570	0.4
% Change from prior year	(27.8)%	(5.9)%	(38.1)%	(1.7)%	2.6%	0.7%

Issue Descriptions

Benefits adjustments: The recommendation includes the following changes for centrally-appropriated line items: \$1,242,123 for Health, Life, and Dental; \$379,977 for S.B. 06-235 Supplemental Amortization Equalization Disbursement; \$204,999 for S.B. 04-257 Amortization Equalization Disbursement; a reduction of \$9,572 for Shift Differential; and a reduction of \$1,083 for Short-term Disability.

Operating adjustments: The recommendation includes changes for centrally-appropriated line items: \$605,017 for Workers' Compensation; \$445,509 for Vehicle Lease Payments; \$12,414 for Capitol Complex Leased Space; \$12,307 for Legal Services; \$9,855 for Management and Administration of OIT; \$670 for Operating Expenses (related to an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel); \$0 for Purchase of Services from Computer Center (various fund changes); \$0 for Multiuse Network Payments (various fund changes); a reduction of \$142,688 for Payment to Risk Management and Property Funds; and a reduction of \$1,631 for Operating Expenses (to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans).

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Leased space adjustments: The recommendation includes an increase in leased space costs of \$51,698 to reflect various increases in leased space costs throughout the Department due to the renewal of leases, an increase of \$1,260 to reflect the reallocation of funds from the Colorado Water Conservation Board for the lease of a vehicle parking slot, as well as a reduction of leased space costs of \$28,332 to reflect a change in occupancy as the State Land Board moves out of leased space in the Capitol Complex and State Parks discontinues private leased space in order to utilize capitol complex leased space vacated by the State Land Board.

Annualize funding for S.B. 07-228: The recommendation annualizes funding for S.B. 07-228 for monitoring of vendor performance on state contracts.

Eliminate one-time funding: The recommendation eliminates one-time funding that was provided to the Department in FY 2008-09 through S.B. 08-168 (Species Conservation Trust Fund).

Eliminate salary survey and performance-based pay increases: The recommendation does not include appropriations for salary survey and performance-based pay increases for FY 2009-10. Salary survey and performance-based pay increases for department staff, when provided, are funded through centrally-appropriated line items in the Executive Director's Office of the Department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

End department participation in State Fair: The recommendation includes reductions reflecting savings related to ending the Department's participation in the Colorado State Fair.

Fund mix adjustment: The recommendation includes a fund mix adjustment pursuant to the Department's indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office.

Division of Reclamation, Mining, and Safety: This division includes the following programs:

- Coal Land Reclamation -- This program protects society and the environment from the adverse effects of coal mining, as well as complying with the requirements of the federal Surface Mining Control and Reclamation Act.
- Inactive Mines -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 6,000 have been safeguarded.
- Minerals -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,735 non-coal

mines in Colorado, (permitted areas covering 100,386 acres) and regulates 374 active prospecting operations.

- **Mine Safety Training** -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

Division of Reclamation, Mining, and Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$7,645,246	\$0	\$4,271,694	\$30,000	\$3,343,552	73.1
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize FY 2008-09 hiring freeze	261,004	0	239,741	0	21,263	0.0
Annualize salary and benefits adjustments	189,906	0	92,349	0	97,557	0.0
Indirect and fund mix adjustments	38,042	0	(46,019)	0	84,061	0.0
Interest for mine reclamation	20,000	0	20,000	0	0	0.0
Operating adjustments	392	0	499	0	(107)	0.0
Decreased severance tax revenue for mine reclamation	(183,623)	0	(183,623)	0	0	0.0
Annualize prior year funding	(23,989)	0	(14,375)	0	(9,614)	(0.2)
End department participation in State Fair	(15,126)	0	(6,257)	0	(8,869)	0.0
Total FY 2009-10 JBC Recommendation	\$7,931,852	\$0	\$4,374,009	\$30,000	\$3,527,843	72.9
\$ Change from prior year	\$286,606	\$0	\$102,315	\$0	\$184,291	(0.2)
% Change from prior year	3.7%	n/a	2.4%	0.0%	5.5%	(0.3)%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect and fund mix adjustments: The recommendation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

Interest for mine reclamation: The recommendation includes an increase in spending authority for interest earned by the Mine Site Reclamation Fund.

Operating adjustments: The recommendation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Decreased severance tax revenue for mine reclamation: The recommendation reduces expenditures from the Operational Account of the Severance Tax Trust Fund for mine site reclamation due to a decrease in the forecast of available severance tax revenues.

Annualize prior year funding: The recommendation removes one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

End department participation in State Fair: The recommendation includes a reduction to end the Department's participation in the State Fair.

Geological Survey: This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.
- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication and distribution of maps, reports, and presentations on geological conditions, mineral potential, mineral reserves, and actual mineral production.
- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

Geological Survey	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$4,594,912	\$0	\$2,802,495	\$803,026	\$989,391	35.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize FY 2008-09 hiring freeze	156,211	0	156,211	0	0	0.0
Annualize salary and benefits adjustments	97,601	0	88,675	0	8,926	0.0
Colorado Avalanche Information Center	34,456	0	0	40,456	(6,000)	0.0
Indirect and fund mix adjustments	6,911	0	32,943	0	(26,032)	0.0
Operating adjustments	1,444	0	1,444	0	0	0.0
End department participation in State Fair	(6,686)	0	(6,686)	0	0	0.0
Annualize prior year funding	(3,435)	0	(3,435)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$4,881,414	\$0	\$3,071,647	\$843,482	\$966,285	35.4
\$ Change from prior year	\$286,502	\$0	\$269,152	\$40,456	(\$23,106)	0.0
% Change from prior year	6.2%	n/a	9.6%	5.0%	(2.3)%	0.0%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Colorado Avalanche Information Center: The recommendation includes an increase in spending authority for a contract with the Department of Transportation to provide avalanche forecasting.

Indirect and fund mix adjustments: The recommendation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

Operating adjustments: The recommendation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

End department participation in State Fair: The recommendation includes a reduction to end the Department's participation in the State Fair.

Annualize prior year funding: The recommendation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Oil and Gas Conservation Commission: The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies. The appropriation reflects the workload attributable to the increase in active wells statewide.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

Oil and Gas Conservation Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$10,627,958	\$0	\$10,525,622	\$0	\$102,336	73.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	679,000	0	679,000	0	0	0.0
Annualize salary and benefits adjustments	168,974	0	168,974	0	0	0.0

Oil and Gas Conservation Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating adjustments	1,638	0	1,638	0	0	0.0
Annualize prior year funding	(1,986,258)	0	(1,986,258)	0	0	0.0
Environmental Protection and Mitigation Studies	(175,000)	0	(175,000)	0	0	0.0
Indirect and fund mix adjustments	(11,303)	0	(9,175)	0	(2,128)	0.0
End department participation in State Fair	(8,824)	0	(8,824)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$9,296,185	\$0	\$9,195,977	\$0	\$100,208	73.0
\$ Change from prior year	(\$1,331,773)	\$0	(\$1,329,645)	\$0	(\$2,128)	0.0
% Change from prior year	(12.5)%	n/a	(12.6)%	n/a	(2.1)%	0.0%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Operating adjustments: The recommendation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Annualize prior year funding: The recommendation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Environmental Protection and Mitigation Studies: The recommendation reduces funding from the Operational Account of the Severance Tax Trust Fund for environmental protection and mitigation studies due to a decrease in the forecast of available severance tax revenues. The remaining funding approximately equals FY 2007-08 actual expenditures.

Indirect and fund mix adjustments: The recommendation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

End department participation in State Fair: The recommendation includes a reduction to end the Department's participation in the State Fair.

State Board of Land Commissioners: The State Board of Land Commissioners (State Land Board) manages properties for eight trusts set up in either the Colorado Constitution or in statute. By far the largest trust

managed by the State Land Board is the Public School Trust (School Trust). Approximately 98 percent of the revenue generated by the State Land Board is attributable to the School Trust.

Pursuant to H.B. 08-1335 (known as the BEST bill) 35 percent of the gross amount of income received during the fiscal year from income, mineral royalties, and interest derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to \$11 million may be appropriated in the School Finance Act. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or reinvested by the State Land Board to purchase other lands.

State Board of Land Commissioners	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,863,252	\$0	\$3,863,252	\$0	\$0	38.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	115,763	0	115,763	0	0	0.0
Annualize FY 2008-09 hiring freeze	69,141	0	69,141	0	0	0.0
Operating adjustments	942	0	942	0	0	0.0
Annualize prior year funding	447	0	447	0	0	0.0
Indirect and fund mix adjustments	(55,625)	0	(55,625)	0	0	0.0
End department participation in State Fair	(10,382)	0	(10,382)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,983,538	\$0	\$3,983,538	\$0	\$0	38.0
\$ Change from prior year	\$120,286	\$0	\$120,286	\$0	\$0	0.0
% Change from prior year	3.1%	n/a	3.1%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Operating adjustments: The recommendation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Annualize prior year funding: The recommendation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Indirect and fund mix adjustments: The recommendation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

End department participation in State Fair: The recommendation includes a reduction to end the Department's participation in the State Fair.

Parks and Outdoor Recreation: This division manages approximately 43 parks and associated park projects. The division also manages statewide recreation programs, including the snowmobile program, the off-highway vehicle program, and river outfitters regulation. State parks are estimated to have approximately 13,680,012 visitors in FY 2008-09. The parks are supported by a mixture of General Fund, cash funds from fees, funds from the State Lottery and Great Outdoors Colorado, the Operational Account of the Severance Tax Trust Fund, (S.B. 08-226 and S.B. 08-13), and federal grants.

Parks and Outdoor Recreation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$38,153,113	\$5,614,271	\$31,515,655	\$0	\$1,023,187	294.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	781,854	229,671	552,183	0	0	0.0
Annualize FY 2008-09 hiring freeze	184,793	35,029	146,223	0	3,541	0.0
Postage increase	44,801	8,540	36,261	0	0	0.0
State parks operations reduction	(1,940,197)	(1,940,197)	0	0	0	0.0
S.B. 08-226 aquatic nuisance species annualization	(587,931)	0	(587,931)	0	0	0.0
Indirect cost assessment	(52,004)	0	(61,526)	0	9,522	0.0
End department participation in State Fair	(9,718)	(9,718)	0	0	0	0.0
Other	(7,613)	(5,242)	(2,371)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$36,567,098	\$3,932,354	\$31,598,494	\$0	\$1,036,250	294.5
\$ Change from prior year	(\$1,586,015)	(\$1,681,917)	\$82,839	\$0	\$13,063	0.0
% Change from prior year	(4.2)%	(30.0)%	0.3%	n/a	1.3%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

State parks operations reduction: The recommendation reflects a state parks operations reduction to address General Fund revenue shortfall.

S.B. 08-226 aquatic nuisance species annualization: The recommendation includes a reduction to annualize funds added by S.B. 08-226.

Indirect cost assessment: The recommendation reflects a reduction in indirect costs assessed against the division.

End department participation in State Fair: The recommendation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The recommendation includes a reduction of \$4,226 to annualize a FY 2008-09 supplemental which reduced operating expenses due to a consolidation of cellular phone plans and a reduction of \$3,387 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

Colorado Water Conservation Board: Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. The bulk of the funding for the Division is from reserves in the Colorado Water Conservation Board Construction Fund.

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$15,157,394	\$0	\$14,722,941	\$296,027	\$138,426	47.7
Recommended Changes from FY 2008-09 Appropriation						
H.B. 08-1398 Interbasin Compact Committee Operation Fund	1,145,067	0	1,145,067	0	0	0.0
Annualize salary and benefits adjustments	135,272	0	135,272	0	0	0.0
Annualize FY 2008-09 hiring freeze	113,628	0	113,628	0	0	0.0
Indirect cost assessment	20,104	0	17,162	0	2,942	0.0
Postage increase	670	0	670	0	0	0.0
Eliminate one-time funding	(7,721,000)	0	(7,721,000)	0	0	0.0
End department participation in State Fair	(8,110)	0	(8,110)	0	0	0.0
Annualize prior year funding	(7,823)	0	(7,823)	0	0	0.0
Other	(1,968)	0	(1,968)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$8,833,234	\$0	\$8,395,839	\$296,027	\$141,368	47.7
\$ Change from prior year	(\$6,324,160)	\$0	(\$6,327,102)	\$0	\$2,942	0.0
% Change from prior year	(41.7)%	n/a	(43.0)%	0.0%	2.1%	0.0%

Issue Descriptions

H.B. 08-1398 Interbasin Compact Committee Operation Fund: The recommendation increases funding to reflect a continuous appropriation from the Interbasin Compact Committee Operation Fund pursuant to Section 37-75-107, C.R.S.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Indirect cost assessment: The recommendation reflects an increase in indirect costs assessed against the division.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Eliminate one-time funding: The recommendation includes a reduction of \$7,721,000 associated with a one-time appropriation contained in H.B. 08-1346 (Water Conservation Board Construction Fund projects).

End department participation in State Fair: The recommendation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Annualize prior year funding: The recommendation includes the following funding changes as a result of prior year funding decisions: reduces \$3,455 for a FY 2008-09 decision item for a hydrographer and vehicle; reduces \$3,455 for a FY 2008-09 decision item for drought planning staff; and reduces \$913 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans.

Other: The recommendation includes reductions of: \$1,260 to reflect the reallocation of funds to the Leased Space line in the Executive Director's Office to pay for the lease of a vehicle parking slot; and a reduction of \$708 for Management and Administration of OIT.

Water Resources Division: This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers 79,592 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation.

Water Resources Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Adjusted Appropriation	\$21,548,425	\$19,250,516	\$2,213,301	\$0	\$84,608	274.3
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	667,687	654,292	13,395	0	0	0.0
Annualize FY 2008-09 hiring freeze	426,567	393,598	32,969	0	0	0.0
Satellite monitoring system	30,000	0	30,000	0	0	0.0
Federal grants	10,782	0	0	0	10,782	0.0
Postage increase	3,587	3,587	0	0	0	0.0
Eliminate one-time funding	(350,000)	0	(350,000)	0	0	0.0
Online water information	(84,000)	0	(84,000)	0	0	(2.0)
Indirect cost assessment	(14,000)	0	(15,213)	0	1,213	0.0
Annualize prior year funding	(12,392)	129,608	(142,000)	0	0	0.1
End department participation in State Fair	(3,555)	(3,555)	0	0	0	0.0
Other	(2,658)	(2,658)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$22,220,443	\$20,425,388	\$1,698,452	\$0	\$96,603	272.4
\$ Change from prior year	\$672,018	\$1,174,872	(\$514,849)	\$0	\$11,995	(1.9)
% Change from prior year	3.1%	6.1%	(23.3)%	n/a	14.2%	(0.7)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Satellite monitoring system: The recommendation includes an increase in funding for the Satellite Monitoring System (Satellite Monitoring System Cash Fund) for an increase in stream flow gauging stations and equipment maintenance and upkeep.

Federal grants: The recommendation includes an increase for anticipated Federal Emergency Management Agency grants.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Eliminate one-time funding: The recommendation includes a reduction of \$350,000 associated with a one-time appropriation contained in H.B. 08-1346 (Water Conservation Board Construction Fund projects).

Online water information: The recommendation reduces \$84,000 from the Water Data Bank Fund and 2.0 FTE as a result of providing water records information online.

Indirect cost assessment: The recommendation reflects a decrease in indirect costs assessed against the division.

Annualize prior year funding: The recommendation includes the following funding changes as a result of prior year funding decisions: reduces \$7,581 General Fund and increases 0.1 FTE for a FY 2008-09 decision item for Republican River Compact Compliance; reduces \$4,811 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans; refinances a one-time FY 2008-09 General Fund savings of \$94,000 with cash funds from the Well Enforcement Cash Fund; and refinances a one-time FY 2008-09 General Fund savings of \$48,000 with cash funds from the Satellite Monitoring System Cash Fund.

End department participation in State Fair: The recommendation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The recommendation includes a reduction of \$2,658 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

Division of Wildlife: The division manages the state's 960 game and non-game wildlife species by issuing hunting and fishing licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing more than 250 state wildlife areas. The division appropriations contain funding for 13 major programs, including the following: Wildlife Habitat, Wildlife Species, Hunting Recreation, Fishing Recreation, Watchable Wildlife, Law Enforcement, Licensing, Wildlife Education, Wildlife Information, Customer Service, Public Policy, Human Resources, and Internal Systems.

Division of Wildlife	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$86,354,509	\$0	\$75,954,977	\$0	\$10,399,532	651.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	2,122,961	0	2,118,350	0	4,611	0.0
Annualize FY 2008-09 hiring freeze	1,257,309	0	1,257,309	0	0	0.0
Annualize S.B. 08-13 severance tax operational account appropriations	49,217	0	49,217	0	0	0.0
Postage increase	38,749	0	38,749	0	0	0.0
S.B. 08-226 aquatic nuisance species annualization	(2,612,700)	0	(2,612,700)	0	0	0.0
Indirect cost assessment	(132,413)	0	(132,413)	0	0	0.0
Annualize prior year funding	(37,472)	0	(37,472)	0	0	0.0

Division of Wildlife	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
End department participation in State Fair	(6,686)	0	(6,686)	0	0	0.0
Other	(2,599)	0	0	0	(2,599)	0.0
Total FY 2009-10 JBC Recommendation	\$87,030,875	\$0	\$76,629,331	\$0	\$10,401,544	651.4
\$ Change from prior year	\$676,366	\$0	\$674,354	\$0	\$2,012	0.0
% Change from prior year	0.8%	n/a	0.9%	n/a	0.0%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize S.B. 08-13 severance tax operational account appropriations: The recommendation reflects an increase to the appropriation provided to the division pursuant to S.B. 08-13.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

S.B. 08-226 aquatic nuisance species annualization: The recommendation includes a reduction to annualize funding provided in S.B. 08-226.

Indirect cost assessment: The recommendation reflects a decrease in indirect costs assessed against the division.

Annualize prior year funding: The recommendation includes the following funding changes as a result of prior year funding decisions: reduces \$29,354 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans; reduces \$8,118 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

End department participation in State Fair: The recommendation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The recommendation reflects an anticipated reduction in federal funds.

Department of Personnel and Administration

Department Description: The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 31,138 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; oversight of state financial activities; maintenance of state archives and public records; maintenance of the buildings in the Capitol complex and two other campuses; provision of central services to agencies in the Denver metropolitan area; provision of administrative law judge services; coordination of capital construction and controlled maintenance projects; management of the State's motor vehicle fleet; centralized lease management for state agencies; administration of the State's selection, classification, and compensation programs; administration of the State's employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance program.

Summary Table for Department of Personnel and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$148,504,532	\$5,784,722	\$6,667,669	\$136,052,141	\$0	392.9
Long Bill Supplemental	<u>379,684</u>	<u>0</u>	<u>0</u>	<u>379,684</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$148,884,216	\$5,784,722	\$6,667,669	\$136,431,825	\$0	392.9
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	1,318,776	247,845	170,211	900,720	0	24.5
Human Resources	11,975,656	0	(64,936)	12,040,592	0	(11.0)
Constitutionally Independent Entities	283,851	762,633	0	(478,782)	0	2.0
Central Services	10,866,948	0	0	10,866,948	0	0.0
Division of Accounts and Control - Controller	(175,855)	108,716	21,207	(305,778)	0	(6.0)
Information and Archival Services	(532,543)	(406,043)	(111,715)	(14,785)	0	(8.5)
Administrative Courts	223,352	(112,043)	0	335,395	0	(0.8)
Total FY 2009-10 JBC Recommendation	\$172,844,401	\$6,385,830	\$6,682,436	\$159,776,135	\$0	393.1
\$ Change from prior year	\$23,960,185	\$601,108	\$14,767	\$23,344,310	\$0	0.2
% Change from prior year	16.1%	10.4%	0.2%	17.1%	n/a	0.1%

Recommendation Highlights:

1. Provides \$12.8 million reappropriated funds spending authority for the workers' compensation and risk management programs in order to account for volatility in workers' compensation and risk premiums.
2. Provides an increase of \$3.5 million reappropriated funds spending authority to allow the fleet vehicle program to absorb a \$1.00 per gallon fuel cost increase.
3. Adds \$3.2 million reappropriated funds spending authority to allow the Integrated Document Factory to absorb a 20 percent increase in printing, scanning, digital storing, and mail services workload.

4. Increases \$1.4 million reappropriated funds for the purchase of new mail services processing equipment.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for personnel appeals, affirmative action, and disability issues affecting all classified state employees, and is charged with reviewing the overall management and programs of state government. The Division also provides centralized accounting, personnel, and budgeting services for the department. The Executive Director has administrative responsibility for the Total Compensation Advisory Council, the Deferred Compensation Committee, and the Short-term Disability Fund. Starting with FY 2009-10, as a result of a long bill realignment, the Division includes the following programs: Colorado State Employees Assistance Program, the Office of the State Architect, and Colorado State Archives.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$11,496,728	\$3,982,284	\$17,455	\$7,496,989	\$0	22.5
Recommended Changes from FY 2008-09 Appropriation						
Department Long Bill realignment	1,711,771	822,201	93,811	795,759	0	24.5
Benefits adjustments	435,128	(72,029)	51,781	455,376	0	0.0
Annualize salary and benefits adjustments	188,613	64,395	0	124,218	0	0.0
Operating Adjustments	124,899	(26,812)	24,605	127,106	0	0.0
Annualize FY 2008-09 hiring freeze	112,861	0	0	112,861	0	0.0
Postage increase	7,921	0	0	7,921	0	0.0
Eliminate salary survey and performance-based pay increases	(1,157,295)	(531,374)	0	(625,921)	0	0.0
Annualize prior year funding	(55,643)	(8,536)	14	(47,121)	0	0.0
Indirect cost assessment	(49,479)	0	0	(49,479)	0	0.0
Total FY 2009-10 JBC Recommendation	\$12,815,504	\$4,230,129	\$187,666	\$8,397,709	\$0	47.0
\$ Change from prior year	\$1,318,776	\$247,845	\$170,211	\$900,720	\$0	24.5
% Change from prior year	11.5%	6.2%	975.1%	12.0%	n/a	108.9%

Issue Descriptions

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. In the Executive Director's Office, this includes the creation of a sub-group titled "Statewide Special Purpose" to include the following: (1) \$784,858 and 10.0 FTE for the Colorado State Employees Assistance Program (previously residing within the Division of Human Resources); (2) \$517,134 and 6.0 FTE for the Office of the State Architect (previously residing within Finance and Procurement, Real Estate Services Program, Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review); (3) \$542,255 and \$8.5 FTE for the Colorado State Archives (previously residing within Information

and Archival Services); (4) the reduction of \$132,476 for 1,764 legal services hours to be reflected within the newly created Constitutionally Independent Entities group; and (5) the inclusion of Test Facility Lease, Employment Security Contract Payment, and Employee Emeritus Retirement (previously residing within the Executive Director's Office) within the Executive Director's Office, Statewide Special Purpose sub-group.

Benefits adjustments: The recommendation includes the following changes for centrally appropriated line items: \$276,171 for Health, Life, and Dental; \$2,181 for Short-term Disability; \$63,763 for Amortization Equalization Disbursement; \$94,403 for Supplemental Amortization Equalization Disbursement; and a reduction of \$1,390 for Shift Differential.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Operating adjustments: The recommendation includes changes for centrally-appropriated line items: \$103,644 for Workers' Compensation; \$877 for Legal Services; \$3,558 for Administrative Law Judges; a reduction of \$82,306 for Payment to Risk Management and Property Funds; \$23,153 for Vehicle Lease Payments; a reduction of \$4,739 for Leased Space; and \$80,712 for Capitol Complex Leased Space.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Eliminate salary survey and performance-based pay increases: The recommendation does not include appropriations for salary survey and performance-based pay increases for FY 2009-10. Salary survey and performance-based pay increases for department staff, when provided, are funded through centrally-appropriated line items in the Executive Director's Office of the Department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Annualize prior year funding: The recommendation annualizes funding for FY 2008-09 decision items and supplementals.

Indirect cost assessment: The recommendation reflects a reduction in the division's indirect cost assessment.

Division of Human Resources: This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs. It also administers the risk management program for all state agencies, which involves supervising the investigation, adjustment, and legal defense of property, liability, and workers' compensation claims, as well as administering loss-control programs designed to decrease the State's claims exposure and liability.

Division of Human Resources	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$62,744,413	\$0	\$2,915,996	\$59,828,417	\$0	58.7
Long Bill Supplemental	<u>379,684</u>	<u>0</u>	<u>0</u>	<u>379,684</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$63,124,097	\$0	\$2,915,996	\$60,208,101	\$0	58.7
Recommended Changes from FY 2008-09 Appropriation						
Workers' compensation and risk premiums	12,814,108	0	0	12,814,108	0	0.0
Annualize salary and benefits adjustments	166,590	0	0	166,590	0	0.0
Indirect cost assessment	109,131	0	0	109,131	0	0.0
Increase training services funding	100,000	0	50,000	50,000	0	0.0
Annualize FY 2008-09 hiring freeze	81,993	0	0	81,993	0	0.0
Annualize prior year funding	7,519	0	25,679	(18,160)	0	(1.0)
Postage increase	1,472	0	0	1,472	0	0.0
Department Long Bill realignment	(784,858)	0	0	(784,858)	0	(10.0)
Eliminate one-time supplemental	(379,684)	0	0	(379,684)	0	0.0
Supplemental state contribution	(140,615)	0	(140,615)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$75,099,753	\$0	\$2,851,060	\$72,248,693	\$0	47.7
\$ Change from prior year	\$11,975,656	\$0	(\$64,936)	\$12,040,592	\$0	(11.0)
% Change from prior year	19.0%	n/a	(2.2)%	20.0%	n/a	(18.7)%

Issue Descriptions

Long Bill Supplemental: The recommendation includes an increase in Integrated Document Factory funding for a FY 2008-09 unanticipated Home Energy Audit Project for the Governor's Energy Office.

Workers' compensation and risk premiums: The recommendation includes increased funding for workers' compensation and risk management in order to account for volatility in workers' compensation and risk premiums.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation reflects an increase in the division's indirect cost assessment.

Increase training services funding: The recommendation includes an increase in training services funding to account for an anticipated increase in training courses provided to state agencies and individuals.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation annualizes funding for FY 2008-09 supplementals.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. The Colorado State Employees Assistance Program is being moved to the Executive Director's Office, Statewide Special Purpose sub-group.

Eliminate one-time supplemental: The recommendation removes a one-time supplemental increase for the FY 2008-09 Governor's Energy Office Home Energy Audit Project.

Supplemental state contribution: The recommendation reflects anticipated reduction to funds from tobacco litigation settlement.

Constitutionally Independent Entities (this division previously included the Personnel Board, it now includes the Personnel Board and the Independent Ethics Commission)

Personnel Board: This unit provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

Independent Ethics Commission: The Independent Ethics Commission is a constitutionally created independent commission charged with the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The purpose of the Independent Ethics Commission is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution and any other standards of conduct and reporting requirements as provided by law.

Constitutionally Independent Entities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$479,978	\$0	\$1,196	\$478,782	\$0	4.8
Recommended Changes from FY 2008-09 Appropriation						
Department Long Bill realignment	204,760	204,760	0	0	0	1.8
Independent Ethics Commission funding	42,036	42,036	0	0	0	0.2
Annualize salary and benefits adjustments	28,946	28,946	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	6,845	6,845	0	0	0	0.0
Annualize prior year funding	6,000	0	0	6,000	0	0.0
Postage increase	264	264	0	0	0	0.0
Indirect cost assessment	(5,000)	0	0	(5,000)	0	0.0

Constitutionally Independent Entities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Statewide indirect costs refinance	0	479,782	0	(479,782)	0	0.0
Total FY 2009-10 JBC Recommendation	\$763,829	\$762,633	\$1,196	\$0	\$0	6.8
\$ Change from prior year	\$283,851	\$762,633	\$0	(\$478,782)	\$0	2.0
% Change from prior year	59.1%	n/a	0.0%	(100.0)%	n/a	41.7%

Issue Descriptions

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. The Independent Ethics Commission is being moved from the Administrative Courts division to the newly created Constitutionally Independent Entities division.

Independent Ethics Commission funding: The recommendation includes increased funding for the Independent Ethics Commission.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation annualizes funding for FY 2008-09 supplementals.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Indirect cost assessment: The recommendation reflects a reduction in the division's indirect cost assessment.

Statewide indirect costs refinance: The recommendation includes the refinancing of reappropriated funds with General Fund to reflect the reduction of statewide indirect cost recoveries offset in the Department for FY 2009-10.

Central Services: This division is responsible for realizing savings in governmental costs by providing centralized services to state agencies. The services provided include: management of the statewide travel program; processing of incoming and outgoing mail; mail delivery and messenger services; copying, printing and graphics design; microfilming and imaging services; vehicle leasing; management of the State's motor vehicle fleet; and operation and maintenance of buildings in the Capitol complex and other state-owned facilities.

Central Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$63,152,278	\$0	\$67,405	\$63,084,873	\$0	193.1
Recommended Changes from FY 2008-09 Appropriation						
Fleet fuel contingency funding	3,450,067	0	0	3,450,067	0	0.0
Integrated Document Factory contingency funding	3,231,954	0	0	3,231,954	0	0.0
Postage increase and mail equipment upgrade	1,680,571	0	0	1,680,571	0	0.0
Fleet vehicle lease costs	1,426,575	0	0	1,426,575	0	0.0
Department of Revenue projects	454,921	0	0	454,921	0	0.0
Capitol complex operating and utilities costs	431,612	0	0	431,612	0	0.0
Annualize salary and benefits adjustments	349,123	0	0	349,123	0	0.0
Integrated Document Factory personal services realignment	319,597	0	0	319,597	0	0.0
Indirect cost assessment	303,020	0	0	303,020	0	0.0
Document Solutions Group anticipated projects	170,148	0	43,336	126,812	0	0.0
Reprographics Services paper costs	93,705	0	0	93,705	0	0.0
Noxious weeds	44,187	0	0	44,187	0	0.0
Capitol Complex Security	18,837	0	0	18,837	0	0.0
Postage increase	151	0	0	151	0	0.0
Annualize prior year funding	(979,667)	0	(43,336)	(936,331)	0	0.0
Capitol Complex operating reductions	(127,853)	0	0	(127,853)	0	0.0
Total FY 2009-10 JBC Recommendation	\$74,019,226	\$0	\$67,405	\$73,951,821	\$0	193.1
\$ Change from prior year	\$10,866,948	\$0	\$0	\$10,866,948	\$0	0.0
% Change from prior year	17.2%	n/a	0.0%	17.2%	n/a	0.0%

Issue Descriptions

Fleet fuel contingency funding: The recommendation includes increased spending authority to allow the fleet program to absorb a \$1.00 per gallon fuel cost increase.

Integrated Document Factory contingency funding: The recommendation includes increased spending authority to allow the Integrated Document Factory to absorb a 20 percent increase in printing, scanning, digital storing, and mail services workload.

Postage increase and mail equipment upgrade: The recommendation includes \$1,428,000 for the purchase of new mail services processing equipment and \$252,751 for an increase in postage charged by the United States Postal Service.

Fleet vehicle lease costs: The recommendation includes funding for the annualization of FY 2008-09 vehicle replacements and additions as well as partial-year costs for FY 2009-10 vehicle replacements.

Department of Revenue projects: The recommendation includes increased funding for the Integrated Document Factory in order to perform various projects for the Department of Revenue.

Capitol complex operating and utilities costs: The recommendation includes \$230,920 for expenditures related to excess federal fund balance and \$200,692 related to operating and utilities expenditures associated with a North Campus building vacated by the Colorado Community College.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Integrated Document Factory personal services realignment: The recommendation includes the realignment of personal services costs between Reprographics Services, Document Solutions Group, and Mail Services to better reflect expenditures by the three programs.

Indirect cost assessment: The recommendation reflects an increase in indirect costs assessed against the division.

Document Solutions Group anticipated projects: The recommendation reflects an anticipated increase in project requests.

Reprographics Services paper costs: The recommendation reflects an increase in paper costs.

Noxious weeds: The recommendation reflects funding for noxious weed management at Camp George West.

Capitol Complex Security: The recommendation reflects increased personal services costs for Capitol Complex Security.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize prior year funding: The recommendation annualizes funding for FY 2008-09 supplemental adjustments.

Capitol Complex operating reductions: The recommendation includes the reduction of various maintenance expenditures within the Capitol Complex.

Division of Accounts and Control - Controller (previously Finance and Procurement): This division manages the financial affairs of all departments through the Office of the State Controller by using the Colorado Financial Reporting System (COFRS). The division also administers a statewide procurement program through the State Purchasing Office using the Bid Information and Distribution System (BIDS), and meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to leverage more favorable purchasing agreements for the State. In addition, the division

conducts statewide financial reporting, policy and procedural guidance, contract management, the development of the statewide indirect cost allocation plan, and is responsible for the collection of debts due to the State.

Division of Accounts and Control - Controller	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$6,546,162	\$1,284,352	\$3,525,356	\$1,736,454	\$0	64.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	223,181	184,683	38,498	0	0	0.0
Annualize FY 2008-09 hiring freeze	174,563	101,758	72,805	0	0	0.0
Collections Services temporary staff	15,658	0	15,658	0	0	0.0
Annualize prior year funding	15,579	15,579	0	0	0	0.0
Postage increase	838	838	0	0	0	0.0
Department Long Bill realignment	(517,134)	(517,134)	0	0	0	(6.0)
Indirect cost assessment	(88,540)	0	0	(88,540)	0	0.0
Statewide indirect costs refinance	0	322,992	(105,754)	(217,238)	0	0.0
Total FY 2009-10 JBC Recommendation	\$6,370,307	\$1,393,068	\$3,546,563	\$1,430,676	\$0	58.5
\$ Change from prior year	(\$175,855)	\$108,716	\$21,207	(\$305,778)	\$0	(6.0)
% Change from prior year	(2.7)%	8.5%	0.6%	(17.6)%	n/a	(9.3)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Collections Services temporary staff: The recommendation provides funding for the hire of temporary staff within Collections Services.

Annualize prior year funding: The recommendation annualizes funding for FY 2008-09 supplemental adjustments.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. The Real Estate Services Program is being moved from the Division of Accounts and Control - Controller to the newly created Office of the State Architect in the Executive Director's Office, Special Purpose sub-group.

Indirect cost assessment: The recommendation reflects a reduction in the division's indirect cost assessment.

Statewide indirect costs refinance: The recommendation includes the refinance of cash funds and reappropriated funds with General Fund to reflect the reduction of statewide indirect cost recoveries offset in the Department for FY 2009-10.

Information and Archival Services: This unit plans, manages, operates and implements the State's archival and records management program to protect, preserve, and maintain the legal documents for Colorado territorial and State government. This unit develops and approves record retention policies and destruction schedules for all state agencies, counties, cities, school districts, and special districts. This unit is also responsible for managing and operating the State's home page content on the internet. As a result of a departmental realignment of Long Bill line items, beginning in FY 2009-10, this division integrated into the Executive Director's Office.

Information and Archival Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$532,543	\$406,043	\$111,715	\$14,785	\$0	8.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Department Long Bill realignment	(532,543)	(406,043)	(111,715)	(14,785)	0	(8.5)
Total FY 2009-10 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$532,543)	(\$406,043)	(\$111,715)	(\$14,785)	\$0	(8.5)
% Change from prior year	(100.0)%	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%

Issue Descriptions

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. The Information and Archival Services program is being moved to the Executive Director's Office, Special Purpose sub-group and re-named to Colorado State Archives.

Administrative Courts: This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human resources, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases.

Administrative Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,552,430	\$112,043	\$28,546	\$3,411,841	\$0	40.8
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	134,848	0	0	134,848	0	0.0
Indirect cost assessment	102,042	0	0	102,042	0	0.0
Administrative law judge	95,395	0	0	95,395	0	1.0
Annualize FY 2008-09 hiring freeze	44,523	0	0	44,523	0	0.0
Postage increase	1,221	0	0	1,221	0	0.0
Department Long Bill realignment	(112,043)	(112,043)	0	0	0	(1.8)
Program expenditure reduction	(42,634)	0	0	(42,634)	0	0.0
Total FY 2009-10 JBC Recommendation	\$3,775,782	\$0	\$28,546	\$3,747,236	\$0	40.0
\$ Change from prior year	\$223,352	(\$112,043)	\$0	\$335,395	\$0	(0.8)
% Change from prior year	6.3%	(100.0)%	0.0%	9.8%	n/a	(2.0)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation reflects an increase in indirect costs assessed against the division.

Administrative law judge: The recommendation provides funding for an additional administrative law judge.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Postage increase: The recommendation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Department Long Bill realignment: The recommendation reflects a departmental realignment of Long Bill line items. The Independent Ethics Commission is being moved to the newly created Constitutionally Independent Entities group.

Program expenditure reduction: The recommendation includes personal services and operating expenditure reductions related to program efficiencies and savings.

Department of Public Health and Environment

Department Description: The Department of Public Health and Environment is responsible for administering programs that protect and improve the health of the people of Colorado, maintain the quality of Colorado's environment, and assure the availability of health and medical care services to individuals and families.

Summary Table for Department of Public Health and Environment						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$469,965,999	\$26,586,357	\$164,440,239	\$69,325,687	\$209,613,716	1,224.8
Recommended Changes from FY 2008-09 by Long Bill Division						
Administration and Support	317,018	(170,534)	(1,217,740)	3,032,156	(1,326,864)	1.5
Center for Health and Environmental Information and Statistics	109,565	0	66,334	93,231	(50,000)	0.0
Laboratory Services	1,196,994	906,703	185,138	23,153	82,000	0.0
Local Health Services	236,615	60,241	176,374	0	0	0.4
Air Quality Control Division	459,600	0	409,600	0	50,000	(0.3)
Water Quality Control Division	639,033	192,992	293,417	0	152,624	0.0
Hazardous Materials and Waste Management Division	291,060	0	1,289,443	4,444	(1,002,827)	5.4
Consumer Protection	118,309	54,367	61,456	2,486	0	0.0
Disease Control and Environmental Epidemiology Division	(850,170)	89,788	(702,930)	0	(237,028)	(0.1)
Prevention Services Division	(45,660,095)	(308,627)	(7,356,306)	(37,987,170)	(7,992)	(2.2)
Health Facilities and Emergency Medical Services Division	1,737,056	10,492	1,594,761	170,310	(38,507)	20.0
Emergency Preparedness and Response Division	18,504,501	881,167	0	0	17,623,334	31.9
Total FY 2009-10 Long Bill Recommendation	\$447,065,485	\$28,302,946	\$159,239,786	\$34,664,297	\$224,858,456	1,281.4
S.J.R. 09-35 (Declare Fiscal Emergency Tobacco Tax) and S.B. 09-271 (Emergency Use Tobacco Tax Revenues)	(6,000,000)	0	(6,000,000)	0	0	0.0
S.B. 09-269 (Adjust Tobacco Settlement Moneys Alloc)	(1,161,158)	0	(1,161,158)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$439,904,327	\$28,302,946	\$152,078,628	\$34,664,297	\$224,858,456	1,281.4
\$ Change from prior year	(\$30,061,672)	\$1,716,589	(\$12,361,611)	(\$34,661,390)	\$15,244,740	56.6
% Change from prior year	(6.4)%	6.5%	(7.5)%	(50.0)%	7.3%	4.6%

/1 Includes General Fund Exempt.

Recommendation Highlights:

1. Provides \$961,000 cash funds from the Stationary Sources Control Fund and 7.0 FTE for the Air Quality Control Division for work associated with growth of the oil and gas industry.
 2. Provides \$900,000 General Fund for enhanced disease surveillance and outbreak response capabilities at the state laboratory.
 3. Provides \$881,000 General Fund and 1.9 FTE for Emergency Preparedness and Response.
 4. Provides \$619,000 cash funds and 7.4 FTE for enhanced oversight of health facilities.
 5. Provides \$505,000 cash and reappropriated funds and 7.0 FTE for the Water Quality Control Division to address workload increases and the implementation of new regulations.
 6. Transfers an additional \$342,000 to the Department of Health Care Policy and Financing for cervical cancer vaccines by the Children's Basic Health Plan.
 7. Provides \$278,000 cash funds for the genetics counseling program.
 8. Provides \$267,000 cash funds for increased newborn screening costs and to provide for quicker delivery of newborn blood specimens to the state laboratory.
 9. Provides \$108,000 of reappropriated funds for a new accounts receivable system.
 10. Reduces double appropriations of Amendment 35 revenues by \$35.4 million reappropriated funds.
 11. Eliminates salary survey and performance-based pay, saving \$3.9 million from a variety of fund sources.
 12. Eliminates short term grants for innovative health programs, saving \$3.0 million cash funds.
 13. Reduces federal funds by \$777,000 and 4.1 FTE for oversight related to the Rocky Flats clean-up.
 14. Eliminates the Colorado Student Before-and-After-School Project, saving \$300,000 General Fund and \$300,000 reappropriated funds.
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JBC Sponsored Legislation Summary:

S.J.R. 09-35 (Declare Fiscal Emergency Tobacco Tax) and S.B. 09-271 (Emergency Use Tobacco Tax Revenues): The joint resolution would declare a state fiscal emergency and thus allow Amendment 35 moneys to be used for any health-related purpose. The bill would appropriate \$20 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF). This Amendment 35 money is currently supporting Department of Public Health and Environment grant programs for (1) Cancer, Cardiovascular Disease, and Pulmonary Disease and (2) Tobacco Education, Prevention, and Cessation. The appropriation to HCPF would provide \$20 million of cash funds for Medical Services Premiums and would decrease the General Fund appropriation for Medical Services Premiums by \$20 million. The bill would also decrease the

appropriation for Tobacco Education, Prevention, and Cessation Grants by \$6 million cash funds; it is not necessary to reduce appropriations to the two Amendment 35 grant programs by \$20 million because both programs have substantial carryforward fund balances from prior years.

S.B. 09-269 (Adjust Tobacco Settlement Moneys Alloc): This bill (1) directs a \$7.4 million disputed tobacco settlement payment that was received in February 2009 to the General Fund, (2) caps the amount of tobacco settlement revenue distributed among tobacco settlement programs in FY 2009-10 at \$100 million, again directing the savings to the General Fund, (3) delays for one year the one percentage point growth of the allocation of settlement moneys to the Nurse Home Visitor Program that is mandated in statute, while keeping funding for the program at its FY 2008-09 level, (4) keeps funding for the AIDS Drug Assistance Program to at its FY 2008-09 level, and (5) transfers \$1.0 million of tobacco settlement money to the Children's Basic Health Plan Trust. The bill is projected to provide \$9.4 million of support to the General Fund for FY 2008-09. The bill reduces allocations of tobacco-settlements moneys to tobacco settlement programs for FY 2009-10 expenditure by the following amounts:

Department	Amount
Education	\$165,296
Health Care Policy and Financing	814,896
Higher Education	262,571
Human Services	80,379
Personnel and Administration	24,114
Public Health and Environment	1,289,850
Total Reduction	\$2,637,106

Budget Recommendation Detail by Long Bill Division

Administration and Support: In addition to the Executive Director, the division includes the Department's Chief Medical Officer, the Office of Policy and Public/Private Initiatives, the Office of Health Disparities, and several multi-area environmental programs. Support services include internal audit and management analysis, building operations, and telecommunications. Business services include accounting, budgeting, contracts, payroll, and purchasing. The Division's primary source of reappropriated funds is indirect cost recoveries. Cash funds derive from a variety of sources within the department and include central appropriations on behalf of cash funded programs.

Administration and Support	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$38,645,476	\$957,561	\$8,406,272	\$22,526,619	\$6,755,024	75.8
Recommended Changes from FY 2008-09 Appropriation						
Centrally-appropriated line items	1,873,464	129,726	657,379	320,536	765,823	0.0
Health disparities grants	1,084,233	0	0	1,084,233	0	0.0
Leased space	621,507	0	46,427	575,080	0	0.0
Annualize salary and benefits adjustments	219,628	788	3,795	215,045	0	0.0

Administration and Support	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
New accounts receivable system	108,500	0	0	108,500	0	0.0
Annualize prior year funding	37,081	30,157	10,299	(3,375)	0	0.5
Indirect cost assessment	79,759	0	10,000	69,759	0	0.0
Human resources FTE	51,256	0	0	51,256	0	1.0
Annualize one-time FY 2008-09 adjustments	44,500	30,750	0	13,750	0	0.0
Operating adjustments	45,484	111	(814,824)	1,052,065	(191,868)	0.0
Health facilities licensing	10,469	0	10,469	0	0	0.0
Eliminate salary survey and performance-based pay	(3,858,863)	(300,970)	(1,141,285)	(515,789)	(1,900,819)	0.0
Refinance S.B. 07-228	0	(61,096)	0	61,096	0	0.0
Total FY 2009-10 JBC Recommendation	\$38,962,494	\$787,027	\$7,188,532	\$25,558,775	\$5,428,160	77.3
\$ Change from prior year	\$317,018	(\$170,534)	(\$1,217,740)	\$3,032,156	(\$1,326,864)	1.5
% Change from prior year	0.8%	(17.8)%	(14.5)%	13.5%	(19.6)%	2.0%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, workers' compensation, legal services, administrative law judge services, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Health disparities grants: Amendment 35 tobacco-tax revenues, which support this program, are expected to decline modestly, but a large fund balance carried from the prior year has increased the amount available for the recommended appropriation.

Leased space: The recommendation includes additional funding for extra space to accommodate FTE added to the Department's budget during the 2007 and 2008 legislative session. The recommendation also includes funding for a new lease at the Denver Emissions Technical Center.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

New accounts receivable system: The recommendation includes \$108,500 to replace the Department's aging accounts receivable system with a more reliable, more easily managed system.

Annualize prior year funding: The recommendation reflects the second year impact of S.B. 07-228 (Monitor Contracts, \$29,558 increase), S.B. 08-153 (License Home Health Care, \$11,269 increase) and of two decision items from the 2008 session, Expansion of the Colorado Immunization Information System (\$371 decrease) and Internal Audit (\$3,375 decrease).

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs.

Human resources FTE: The recommendation includes 1.0 FTE to provide additional human resources services to the Department.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Operating Adjustments: The recommendation adjusts the appropriations to centrally-appropriated line items for legal services, administrative law judges, vehicle lease, payment to risk management and property funds, and capitol complex leased space. It also reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Health facilities licensing: The recommendation expands the existing regulatory program for certain health facilities. See the Health Facilities and Emergency Medical Services Division for more details.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09, but are not recommended for FY 2009-10.

Refinance S.B. 07-228: The recommendation refinances the appropriation for S.B. 07-228 (Monitor Contracts) with indirect cost recoveries.

Center for Health and Environmental Information and Statistics: The Center for Health and Environmental Information and Statistics is divided into two subdivisions: (A) Information Technology Services and (B) Health Statistics and Vital Records. The Information Technology Services subdivision is responsible for technology planning, networking, user support, applications development and maintenance, and Internet support. The section obtains most of its support from reappropriated funds that derive from indirect cost recoveries. The Health Statistics and Vital Records subdivision is comprised of a registration section, which records births, deaths, marriages, divorces, fetal deaths, and abortions; a certification section, which issues birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry; and a health statistics section, which analyzes vital records collected by the Department and provides information to internal and external users. The Health Statistics and Vital Records subdivision is primarily cash funded with most cash funds deriving from the Vital Statistics Records Cash Fund.

Center for Health and Environmental Information and Statistics	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$7,377,079	\$0	\$2,886,059	\$3,074,042	\$1,416,978	78.9
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	157,831	157	79,984	77,690	0	0.0
Centrally-appropriated line items	5,541	0	0	5,541	0	0.0

Center for Health and Environmental Information and Statistics	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	(31,000)	0	9,000	10,000	(50,000)	0.0
Annualize prior year funding	(22,650)	0	(22,650)	0	0	0.0
Other	(157)	(157)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$7,486,644	\$0	\$2,952,393	\$3,167,273	\$1,366,978	78.9
\$ Change from prior year	\$109,565	\$0	\$66,334	\$93,231	(\$50,000)	0.0
% Change from prior year	1.5%	n/a	2.3%	3.0%	(3.5)%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Centrally-appropriated line items: The recommended appropriation increases funding for management and administration of the Office of Information Technology.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs.

Annualize prior year funding: The recommendation reflects the reduced second year cost of the 2008 decision item.

Other: The recommendation eliminates an appropriation that is no longer needed for implementation of S.B. 07-228, Monitor Contracts.

Laboratory Services. This division conducts tests and provides analysis and advice for the Department's health and environmental programs and for outside clients. It provides scientific support for communicable disease outbreak and control, performs genetic screening tests for Colorado newborns and certifies private medical laboratories, environmental laboratories, dairy on-site laboratories, DUI testing laboratories, and law enforcement breath alcohol-testing devices throughout the state. The division's cash funds derive from fees that it charges for its services, the most important being newborn screening fees.

Laboratory Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$10,178,537	\$174,981	\$7,016,396	\$303,809	\$2,683,351	84.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Surveillance and public health outbreak response	900,451	900,451	0	0	0	0.0
Newborn screening	267,153	0	267,153	0	0	0.0
Annualize salary and benefits adjustments	177,517	6,252	171,265	0	0	0.0

Laboratory Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	(148,127)	0	(253,280)	23,153	82,000	0.0
Total FY 2009-10 JBC Recommendation	\$11,375,531	\$1,081,684	\$7,201,534	\$326,962	\$2,765,351	84.0
\$ Change from prior year	\$1,196,994	\$906,703	\$185,138	\$23,153	\$82,000	0.0
% Change from prior year	11.8%	518.2%	2.6%	7.6%	3.1%	0.0%

Issue Descriptions

Surveillance and public health outbreak response: The recommendation provides funding for increased disease surveillance and response work by the State Laboratory and by the Disease Control division. The recommended FTE appropriation is unchanged because the lab has had a number of unfilled FTE slots since the last economic downturn, when its funding was cut substantially.

Newborn screening: The recommendation provides additional funding to cover increased costs of screening blood samples and funding to expand the courier service that delivers blood samples to the state laboratory.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Local Health Planning and Support: This division provides technical and financial support for health and environmental services that are provided by local health agencies around the state. The division is supported by the General Fund, cash funds from tobacco-settlement revenues, and federal funds.

Local Health Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$9,301,348	\$6,459,412	\$2,578,734	\$0	\$263,202	8.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize one-time FY 2008-09 adjustments	321,486	44,214	277,272	0	0	0.4
Annualize salary and benefits adjustments	16,027	16,027	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(90,533)	0	(90,533)	0	0	0.0
Annualize S.B. 08-194	(10,365)	0	(10,365)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$9,537,963	\$6,519,653	\$2,755,108	\$0	\$263,202	8.4
\$ Change from prior year	\$236,615	\$60,241	\$176,374	\$0	\$0	0.4
% Change from prior year	2.5%	0.9%	6.8%	n/a	0.0%	5.0%

Issue Descriptions

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Amendment 35 and tobacco settlement revenues: In the Disease Control and Environmental Epidemiology Division, Amendment 35 tobacco-tax revenue supports immunization work by Colorado's smaller public health agencies. Tobacco settlement revenues support immunization, AIDS/HIV prevention grants, and AIDS/HIV treatment. Both these revenue sources are forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for AIDS/HIV prevention grants. The recommendation reflects these decreases.

Annualize S.B. 08-194: The recommendation reflects the second year impact of S.B. 08-194, Public Health Reorganization.

Air Quality Control Division: This division is responsible for identifying the nature and impact of Colorado's air pollution, and for implementing measures to prevent, control, and abate air pollution, under the direction of the Air Quality Control Commission. The Division is divided into four programs: Administration, Technical Services, Mobile Sources, and Stationary Sources. The Division's major sources of cash funds are fees charged for air pollution permits.

Air Quality Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$18,198,032	\$0	\$14,929,480	\$0	\$3,268,552	165.9
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	375,932	0	375,932	0	0	0.0
Indirect cost assessment	94,062	0	44,062	0	50,000	0.0
Resources related to oil and gas regulations	35,127	0	35,127	0	0	(0.3)
Annualize FY 2008-09 supplemental appropriation	(28,246)	0	(28,246)	0	0	0.0
Annualize prior year funding	(17,275)	0	(17,275)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$18,657,632	\$0	\$15,339,080	\$0	\$3,318,552	165.6
\$ Change from prior year	\$459,600	\$0	\$409,600	\$0	\$50,000	(0.3)
% Change from prior year	2.5%	n/a	2.7%	n/a	1.5%	(0.2)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases

are funded through centrally-appropriated line items in the Administration and Support section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Resources related to oil and gas regulations: The recommendation includes \$35,127 cash funds for work related to the Department's consultation role in oil and gas regulations associated with H.B. 07-1341. The funding includes \$17,400 to maintain a permit tracking software system approved in the FY 2008-09 supplemental appropriation and \$17,727 for personal services and operating expenses for consultation staff. The recommendation eliminates 0.3 FTE and associated funding approved through the FY 2008-09 supplemental appropriation because of anticipated declines in the oil and gas permit workload. The source of funding for the consultation-related work is the Oil and Gas Conservation and Environmental Response Fund, which is managed by the Department of Natural Resources.

Annualize FY 2008-09 supplemental appropriation: The recommendation includes a decrease of \$64,600 cash funds to eliminate one-time funding included in the FY 2008-09 supplemental appropriation. The decrease is partially offset by an increase of \$36,354 cash funds to restore funding reduced in association with the hiring freeze in FY 2008-09.

Annualize prior year funding: The recommendation includes a decrease of \$17,275 to eliminate one-time funding associated with S.B. 08-55.

Water Quality Control Division: This division enforces the water quality regulations under the direction of the Water Quality Control Commission and the State Board of Health. Its responsibilities include developing stream classifications and standards, issuing permits to ensure that discharges comply with water quality standards, and performing monitoring and enforcement activities. This division also oversees water quality management planning, manages state and federal construction grant assistance programs, and provides technical assistance to local governments. In the area of drinking water, it conducts surveillance of public and non-public drinking water consistent with minimum federal and state standards, and reviews designs and specifications of new or expanding treatment facilities. It also is responsible for enforcing water quality regulations at commercial hog facilities. The Division's major sources of cash funds are fees charged for water quality permits. The Division receives reappropriated funds from the Department of Agriculture for groundwater protection.

Water Quality Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$15,588,070	\$2,497,274	\$5,027,826	\$40,632	\$8,022,338	142.8
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	248,996	108,345	140,651	0	0	0.0
Annualize one-time FY 2008-09 adjustments	217,233	84,647	132,586	0	0	0.0
Indirect cost assessment	172,804	0	20,180	0	152,624	0.0
Total FY 2009-10 JBC Recommendation	\$16,227,103	\$2,690,266	\$5,321,243	\$40,632	\$8,174,962	142.8

Water Quality Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$639,033	\$192,992	\$293,417	\$0	\$152,624	0.0
% Change from prior year	4.1%	7.7%	5.8%	0.0%	1.9%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration and Support section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 supplemental appropriation: The recommendation includes a total increase of \$217,233, including \$84,647 General Fund and \$132,586 cash funds to reverse one-time funding reductions associated with the FY 2008-09 supplemental appropriation. The reversals include \$70,355 General Fund in operating expenses reduced in FY 2008-09 as a budget balancing measure, as well as \$14,312 General Fund and \$132,586 cash funds associated with the hiring freeze in FY 2008-09.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Hazardous Materials and Waste Management Division: This division regulates the treatment, storage, and disposal of solid and hazardous wastes under the direction of the Hazardous Waste Commission. The Division is responsible for inspecting solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; responding to public complaints about such facilities; reviewing corrective action plans for technical compliance with applicable state environmental regulations; and regulating commercial radioactive materials in Colorado.

Hazardous Materials and Waste Management Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$18,914,014	\$0	\$9,976,257	\$227,404	\$8,710,353	128.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Increased radiation control workload	169,044	0	169,044	0	0	2.0
Annualize salary and benefits adjustments	135,547	0	131,128	4,419	0	0.0
Indirect cost assessment	40,576	0	18,376	0	22,200	0.0
Legal services adjustments	(29,107)	0	1,695	25	(30,827)	0.0
Transfer to the Department of Law	(25,000)	0	(25,000)	0	0	0.0
Solid waste program FTE	0	0	0	0	0	3.4
Argo Tunnel Water Treatment Plant operations	0	0	994,200	0	(994,200)	0.0
Total FY 2009-10 JBC Recommendation	\$19,205,074	\$0	\$11,265,700	\$231,848	\$7,707,526	133.8
\$ Change from prior year	\$291,060	\$0	\$1,289,443	\$4,444	(\$1,002,827)	5.4

Hazardous Materials and Waste Management Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
% Change from prior year	1.5%	n/a	12.9%	2.0%	(11.5)%	4.2%

Issue Descriptions

Increased radiation control workload: The recommendation includes \$145,044 cash funds and 2.0 FTE in anticipation of significant increases in the Division's uranium licensing and inspection workload associated with proposed uranium recovery and milling operations. The recommendation also includes \$24,000 cash funds for training of radiation control program staff as a result of increased turnover in the program and need for additional training for replacement staff.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration and Support section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Legal services adjustments: The recommendation includes a net decrease of \$29,107 for the Division's legal services costs. The adjustment includes increases of \$1,695 cash funds and \$25 reappropriated funds for the Administration legal services line item as a result of annual adjustments to the statewide legal services rate. The increases are offset by a reduction of \$30,827 federal funds to eliminate one-time funding for legal services related to Rocky Flats awarded through the FY 2008-09 supplemental appropriation.

Transfer to the Department of Law: The recommendation reduces transfers to the Department of Law for CERCLA-related legal work by \$25,000, which reverses a one-time \$25,000 increase that occurred during supplementals.

Solid waste program FTE: The recommendation includes an additional 3.4 FTE for the solid waste program, to be funded within the programs existing resources, as a result of increased program workload.

Argo Tunnel Water Treatment Plant operations: The recommendation includes an increase of \$994,200 cash funds to offset a reduction in federal funds as the Department assumes responsibility for the operations and maintenance of the Argo Tunnel Water Treatment Plant in the Clear Creek superfund site. The U.S. Environmental Protection Agency has paid 90 percent of operating costs for ten years under an agreement with the Department but the federal responsibility for plant operations ends October 1, 2009.

Consumer Protection: This division is responsible for enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products. The Division's major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. The Division's reappropriated funds are from the Departments of Corrections and Human Services for the inspection of institutions and child care facilities.

Consumer Protection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,447,779	\$1,134,186	\$863,418	\$95,595	\$354,580	28.4
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	69,290	38,108	28,696	2,486	0	0.0
Annualize one-time FY 2008-09 adjustments	37,021	16,259	20,762	0	0	0.0
Indirect cost assessment	14,458	0	14,458	0	0	0.0
Annualize prior year funding	(2,460)	0	(2,460)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,566,088	\$1,188,553	\$924,874	\$98,081	\$354,580	28.4
\$ Change from prior year	\$118,309	\$54,367	\$61,456	\$2,486	\$0	0.0
% Change from prior year	4.8%	4.8%	7.1%	2.6%	0.0%	0.0%

Issue Descriptions

Annualize one-time FY 2008-09 adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration and Support section in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 supplemental appropriation: The recommendation includes a total increase of \$37,021, including \$16,259 General Fund and \$20,762 cash funds to restore funding reduced as a result of the hiring freeze in FY 2008-09.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Annualize prior year funding. The recommendation includes a reduction of \$2,460 cash funds to eliminate one-time funding associated with H.B. 08-1054.

Disease Control and Environmental Epidemiology Division: This division works to track, control and prevent the spread of communicable diseases with a special emphasis on hepatitis, tuberculosis, sexually transmitted diseases, and HIV/AIDS. It also runs an immunization program and collects birth defects data. The birth defect data helps reduce the incidence of such defects and helps prevent secondary disabilities by connecting children and their families with available services. Staff members also assess risks from environmental contaminants that pose a threat to human health and the environment. The bulk of the division's cash funds derive from tobacco-settlement payments.

Disease Control and Environmental Epidemiology Division	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$70,169,485	\$5,706,361	\$8,756,446	\$305,574	\$55,401,104	183.6
Recommended Changes from FY 2008-09 Appropriation						
Annualize one-time FY 2008-09 adjustments	97,761	0	65,000	0	32,761	0.0

Disease Control and Environmental Epidemiology Division	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Surveillance and Public Health Outbreak Response	51,074	51,074	0	0	0	0.8
Annualize salary and benefits adjustments	32,231	32,231	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(431,721)	9,000	(440,721)	0	0	0.0
Increased Colorado Immunization Fund transfer to HCPF	(342,209)	0	(342,209)	0	0	0.0
Move funding and FTE to new division	(182,701)	0	0	0	(182,701)	(1.8)
Indirect Cost Adjustments	(35,000)	0	15,000	0	(50,000)	0.0
Management and administration of OIT	(37,088)	0	0	0	(37,088)	0.0
Annualize 2008 session decision items	(2,517)	(2,517)	0	0	0	0.9
Total FY 2009-10 JBC Recommendation	\$69,319,315	\$5,796,149	\$8,053,516	\$305,574	\$55,164,076	183.5
\$ Change from prior year	(\$850,170)	\$89,788	(\$702,930)	\$0	(\$237,028)	(0.1)
% Change from prior year	(1.2)%	1.6%	(8.0)%	0.0%	(0.4)%	(0.1)%

/1 Includes General Fund Exempt.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$5,706,361	\$5,211,361	\$495,000
Disease Control and Environmental Epidemiology Division	<u>89,788</u>	<u>80,788</u>	<u>9,000</u>
FY 2009-10 Recommendation	\$5,796,149	\$5,292,149	\$504,000

General Fund Exempt: In November 2004, voters passed Amendment 35 to the Colorado Constitution, which imposed new taxes on tobacco products. The amendment required that a portion of the tax revenue be appropriated to the General Fund and be reappropriated for health-related purposes. The implementing legislation for the Amendment (H.B. 05-1262) directed 0.3 percent of revenues, starting in FY 2006-07, to immunizations performed by county public health nursing services. Because Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), these General Fund appropriations are reflected in the General Fund Exempt column.

Issue Descriptions

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Surveillance and public health outbreak response: The recommendation provides funding for increased disease surveillance and response work by the state laboratory and by the Disease Control division.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in

the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Amendment 35 and tobacco settlement revenues: In the Disease Control and Environmental Epidemiology Division, Amendment 35 tobacco-tax revenue supports immunization work by the smaller public health agencies around the state. Tobacco settlement revenues support immunization, AIDS/HIV prevention grants, and AIDS/HIV treatment. Both these revenue sources are forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for AIDS/HIV prevention grants. The recommendation reflects these decreases.

Increased Colorado Immunization Fund transfer to HCPF: The recommendation increases the transfer to the Department of Health Care Policy and Financing (HCPF) of tobacco settlement moneys from the Colorado Immunization Fund for cervical cancer immunizations.

Move funding and FTE to new division: The recommendation moves this appropriation to the new Emergency Preparedness and Response Division.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Management and administration of OIT: The recommendation shifts resources to the Center for Health and Environmental Information and Statistics for management and administration of the Office of IT .

Annualize 2008 session decision items: The recommendation reduces the appropriation for the Ryan White AIDS drug assistance program due to lower receipts from the tobacco Master Settlement Agreement.

Prevention Services Division: This division contains: (A) Prevention Programs, which includes the state's cancer registry, chronic disease and cancer prevention grants, suicide prevention, the cancer, cardiovascular and pulmonary disease grant program, and the tobacco cessation, education and prevention program; (B) Women's Health - Family Planning, which includes the breast and cervical cancer screening program; (C) Rural - Primary Care, which includes dental programs and federal grants for rural health care; (D) Prevention partnerships, which includes the Tony Gramscas Youth Services Grant Program and the Colorado Children's Trust; (E) Family and Community Health, which includes maternal and child health, the Nurse Home Visitor Program, and the Health Care Program for Children with Special Needs, and Genetics Counseling; and (F) Nutrition Services, which includes the Women, Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Food Care program. The division's cash funds derive from Amendment 35 tobacco taxes, tobacco settlement moneys, the Colorado Children's Trust, and newborn screening fees.

Prevention Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$261,676,610	\$7,970,711	\$96,395,583	\$38,315,050	\$118,995,266	188.6
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Disease Management	2,000,000	0	2,000,000	0	0	0.0
Genetics Counseling	278,075	0	278,075	0	0	0.0

Prevention Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary and benefits adjustments	110,461	69,629	19,404	21,428	0	0.0
Annualize one-time FY 2008-09 adjustments	57,761	25,000	0	0	32,761	0.0
Indirect cost assessment	56,053	0	448,003	(375,000)	(16,950)	0.0
Reduce double appropriations of Amendment 35 revenues	(37,413,000)	0	(7,332,505)	(30,080,495)	0	0.0
Amendment 35 and tobacco settlement revenues	(7,062,996)	0	190,107	(7,253,103)	0	0.0
Eliminate short term grants for innovative health programs	(2,959,390)	0	(2,959,390)	0	0	(1.0)
Eliminate the Colorado Student Before-and-After-School Project	(600,000)	(300,000)	0	(300,000)	0	0.0
Reduce interagency coordination program and support for prevention programs	(89,972)	(103,256)	0	0	13,284	(1.2)
Management and administration of OIT	(37,087)	0	0	0	(37,087)	0.0
Total FY 2009-10 JBC Recommendation	\$216,016,515	\$7,662,084	\$89,039,277	\$327,880	\$118,987,274	186.4
\$ Change from prior year	(\$45,660,095)	(\$308,627)	(\$7,356,306)	(\$37,987,170)	(\$7,992)	(2.2)
% Change from prior year	(17.4)%	(3.9)%	(7.6)%	(99.1)%	0.0%	(1.2)%

Issue Descriptions

Disease Management: Senate Bill 08-118 requires an annual appropriation of \$2.0 million of Amendment 35 money to HCPF for disease management programs for FY 2008-09 through FY 2012-13. The bill's appropriation clause directly appropriated these moneys to HCPF for FY 2008-09. The recommendation replaces this direct appropriation with a two step appropriation that is in closer accord with constitutional requirements; step one is a cash fund appropriation within CDPHE that transfers the funds to HCPF; step two is an appropriation within HCPF of reappropriated funds to the program. The net amount of money flowing to the disease management program is unchanged when compared with FY 2008-09.

Genetics Counseling: The recommendation increases the appropriation for the genetics counseling program, which holds clinics in Denver and in certain locations around the state, to respond to an increasing caseload and increasing cost per patient. The funding source is cash funds from fees paid to screen newborns for genetics disorders.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Reduce double appropriations of Amendment 35 revenues: Due to constitutional requirements, the Long Bill contains several double appropriations of Amendment 35 tobacco-tax revenues; the moneys are first appropriated to one division and then are reappropriated to another, resulting in a double appropriation. The recommendation reduces the amount that is appropriated twice, thus making the flow of Amendment 35 moneys in the Long Bill clearer while still satisfying the constitutional requirements.

Amendment 35 and tobacco settlement revenues: In the Prevention Services Division, Amendment 35 tobacco-tax revenue supports Cancer, Cardiovascular Disease and Pulmonary Disease Grants, Tobacco Education, Prevention, and Cessation Grants, and Breast and Cervical Cancer Screening. Tobacco settlement revenues support Short Term Grants for Innovative Health Programs, the Dental Loan Program, the Tony Gramscas Youth Services Program, and the Nurse Home Visitor Program. Both these revenue sources are forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for the two Amendment 35 grant programs. The recommendation reflects these decreases.

Eliminate short term grants for innovative health programs: The recommended reduction frees the grant money for transfer to the General Fund.

Eliminate the Colorado Student Before-and-After-School Project: The recommendation eliminates the General Fund supported Before-and-After-School-Project, which is a Tony Gramscas Youth Services Program.

Reduce interagency coordination program and support for prevention programs: The recommendation reduces funding for the Interagency Coordination Program, which provides support and coordination services for youth prevention programs across state government, by half.

Management and administration of OIT: The recommendation shifts resources to the Center for Health and Environmental Information and Statistics for management and administration of the Office of IT.

Health Facilities and Emergency Medical Services Division: This division's activities include licensing and regulating health care facilities and home health providers; certifying facilities that care for Medicaid and Medicare patients; training individuals to administer medications in residential and non-residential care facilities; training and certifying emergency medical personnel; overseeing the state's trauma care system; and providing technical and financial assistance to local emergency medical services agencies. The division's cash funds derive from fees paid by licensees and from the Highway Users Tax Fund while reappropriated funds come from the Department of Health Care Policy and Financing.

Health Facilities and Emergency Medical Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$17,469,569	\$1,685,871	\$7,603,768	\$4,436,962	\$3,742,968	140.4
Recommended Changes from FY 2008-09 Appropriation						
Annualize special bills and decision items	824,413	0	824,413	0	0	12.6
Health facilities licensing	619,313	0	619,313	0	0	7.4
Annualize salary and benefits adjustments	291,663	10,492	117,222	163,949	0	0.0
Annualize one-time FY 2008-09 adjustments	148,452	0	130,598	6,361	11,493	0.0
Indirect cost assessment	(146,785)	0	(96,785)	0	(50,000)	0.0
Total FY 2009-10 JBC Recommendation	\$19,206,625	\$1,696,363	\$9,198,529	\$4,607,272	\$3,704,461	160.4
\$ Change from prior year	\$1,737,056	\$10,492	\$1,594,761	\$170,310	(\$38,507)	20.0
% Change from prior year	9.9%	0.6%	21.0%	3.8%	(1.0)%	14.2%

Issue Descriptions

Annualize special bills and decision items: The recommendation reflects the second year impact of S.B. 08-153 (License Home Health Care, \$718,215 increase), S.B. 08-154 (Requirements for an Occupancy Contiguous To an Acute Treatment Unit, \$1,385 decrease), H.B. 08-1038 (Assisted Living Fees, \$113,978 increase), and the Emergency Medical and Trauma Services Data Collection and Grants Decision Item approved during the 2008 session (\$6,395 decrease).

Health facilities licensing: The recommendation expands the existing regulatory program for dialysis treatment clinics, hospices, community clinics, community clinics with emergency care centers, convalescent centers, mental health centers, group homes for the developmentally disabled, intermediate care facilities for the mentally retarded, nursing homes, and birth centers. The Department will now be able to conduct on-site inspection for initial licensure, periodic on-site inspections thereafter, review plans of correction for deficiencies found on inspection, investigate complaints, review building plans and buildings for life safety code compliance, and review applicant fitness.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Emergency Preparedness and Response Division: This division helps the state prepare for a wide variety of disasters, natural as well as man-made, including floods, wildfires, tornados, infectious disease epidemics, food and water borne disease outbreaks, and terrorist attacks.

Emergency Preparedness Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Emergency preparedness and response program	18,504,501	881,167	0	0	17,623,334	31.9
Total FY 2009-10 JBC Recommendation	\$18,504,501	\$881,167	\$0	\$0	\$17,623,334	31.9
\$ Change from prior year	\$18,504,501	\$881,167	\$0	\$0	\$17,623,334	31.9
% Change from prior year	n/a	n/a	n/a	n/a	n/a	n/a

Emergency preparedness and response program: This division has existed within the Department of Public Health and Environment since the late 1990's, but, probably due to its exclusively federally funded status, the Department excluded most of it from previous budget requests. As a consequence, only a small portion of the Department's preparedness and response grants have been shown in prior Long Bills. Beginning in 2009-10, the federal government will require Colorado to provide a 5 percent match for the federal moneys. In FY 2010-11 the matching percentage will increase to 10 percent, where it will remain. Since the program now requires matching state dollars, the Committee recommends that the entire program, including the federal dollar, be shown in the Long Bill. The General Fund portion of this recommendation is new, but the federal funds are not. Of the 31.9 FTE for this program, 1.9 are new General-Fund supported FTE and the remainder are federally funded FTE who are already working for the state. Only 1.8 of these federally funded FTE have been previously reflected in the Long Bill; they are being moved from the Disease Control and Environmental Epidemiology Division to this new division.

Department of Public Safety

Department Description: The Department promotes safety and protects human life by enforcing traffic laws. It operates the law enforcement training academy; assists state and local law enforcement in investigating crime and in enforcing criminal laws; maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities, utilizing existing facilities and services wherever feasible. It assists in solving fire safety problems, administers a uniform statewide fire reporting system, and trains firefighters and first responders; coordinates the state's response to the threat of terrorism; investigates organized crime; and administers adult and youth community corrections programs.

Summary Table for Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$245,735,484	\$79,735,441	\$117,842,353	\$21,669,859	\$26,487,831	1,350.9
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$245,735,484	\$79,735,441	\$117,842,353	\$21,669,859	\$26,487,831	1,350.9
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Executive Director's Office	(2,364,923)	1,222,582	(3,005,778)	(583,128)	1,401	3.3
Colorado State Patrol	5,059,339	223,086	4,251,799	409,743	174,711	(1.0)
Office of Preparedness, Security, and Fire Safety	42,643	20,338	49,538	19,853	(47,086)	0.9
Division of Criminal Justice	1,623,260	1,489,621	98,240	21,308	14,091	2.3
Colorado Bureau of Investigation	676,970	811,413	50,429	(194,696)	9,824	(1.0)
Total FY 2009-10 JBC Recommendation	\$250,772,773	\$83,502,481	\$119,286,581	\$21,342,939	\$26,640,772	1,355.4
\$ Change from prior year	\$5,037,289	\$3,767,040	\$1,444,228	(\$326,920)	\$152,941	4.5
% Change from prior year	2.1%	4.7%	1.2%	(1.5)%	0.6%	0.3%

Recommendation Highlights:

1. Provides \$862,000 General Fund for additional inpatient therapeutic community beds for southern Colorado.
2. Provides \$684,000 General Fund for additional residential community corrections transition placements based on the Legislative Council Staff December 2008 projected inmate population and for additional residential community corrections diversion placements.
3. Provides \$221,239 General Fund for higher-than-expected operating and maintenance costs at the CBI's Grand Junction laboratory facility.
4. Provides \$197,000 General Fund for an accelerated non-residential community corrections diversion pilot project.
5. Provides \$160,000 General Fund for community corrections discharge planners.

6. Provides \$116,000 General Fund to restore reductions for outpatient therapeutic communities taken during the FY 2008-09 supplemental process.
7. Includes a total of \$5.5 million (including \$840,910 General Fund) in salary survey and anniversary pay increases awarded in FY 2008-09, but eliminates \$5.8 million (including \$1.1 million General Fund) for salary survey and anniversary pay increases in FY 2009-10.
8. Includes a reduction \$467,000 General Fund to eliminate the funding for day reporting services within this Department.
9. Includes a reduction of \$158,880 General Fund and 2.0 FTE to curtail operations of the Colorado State Patrol Rubicon Team.
10. Includes a reduction of \$144,540 General Fund to reduce the appropriation for the John Eachon Re-entry Center.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office manages the following five divisions: Colorado State Patrol; Law Enforcement Training Academy; Colorado Bureau of Investigation; Division of Criminal Justice; and Office of Preparedness, Security, and Fire Safety; and one special program, the Witness Protection Program. In addition, the office administers the Colorado Integrated Criminal Justice Information System (CICJIS).

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$28,463,260	\$4,476,297	\$13,165,262	\$9,854,230	\$967,471	42.4
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Centrally-appropriated line items	2,952,664	1,894,428	1,237,469	(346,170)	166,937	0.0
Annualize FY 2008-09 supplemental appropriation	432,962	432,962	0	0	0	3.3
Annualize salary and benefits adjustments	186,816	186,816	0	0	0	0.0
Postage increase and mail equipment upgrade	1,771	0	0	1,771	0	0.0
Fund mix adjustment	0	(186,816)	0	186,816	0	0.0
Eliminate salary survey and performance-based pay	(5,752,462)	(1,087,578)	(4,219,803)	(279,545)	(165,536)	0.0
Annualize prior year funding	(171,230)	(21,230)	0	(150,000)	0	0.0
Witness protection program	(15,444)	4,000	(23,444)	4,000	0	0.0
Total FY 2009-10 JBC Recommendation	\$26,098,337	\$5,698,879	\$10,159,484	\$9,271,102	\$968,872	45.7
\$ Change from prior year	(\$2,364,923)	\$1,222,582	(\$3,005,778)	(\$583,128)	\$1,401	3.3
% Change from prior year	(8.3)%	27.3%	(22.8)%	(5.9)%	0.1%	7.8%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize FY 2008-09 supplemental appropriation: The recommendation restores one-time changes taken as budget balancing measures in the FY 2008-09 supplemental. Restorations include \$213,703 General Fund and 3.3 FTE in the School Safety Resource Center that were reduced because of the slow startup of the Center in FY 2008-09; \$184,548 that was transferred from the Leased Space line item to the Colorado Bureau of Investigation to cover higher-than-expected operating costs at the Grand Junction laboratory facility in FY 2008-09; and \$34,711 General Fund to annualize the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

Fund mix adjustment: The recommendation reflects an adjustment related to salary survey and performance-based pay awarded in FY 2008-09.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Annualize prior year funding: The recommendation includes reductions of \$21,230 General Fund and \$150,000 reappropriated funds to eliminate one-time funding associated with S.B. 08-1 and H.B. 08-1267, respectively.

Witness protection program: The recommendation includes adjustments to the FY 2008-09 Witness Protection Program budget as adjusted by the FY 2008-09 supplemental appropriation.

Colorado State Patrol: The Patrol enforces traffic laws on approximately 9,000 miles of state and federal highways and 57,000 miles of county roads, and has special safety programs for hazardous materials transport and for commercial vehicles. The patrol is in the sixth year of implementation of a traffic safety improvement plan, which includes using saturation patrols on the most dangerous highway segments, targeting the most hazardous traffic violations, and increasing trooper visibility statewide. The Alive-at-25 and other safety

training programs support the traffic safety improvement plan. The budget is driven largely by state highway supervision needs, which are funded from the Highway Users Tax Fund.

Colorado State Patrol	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$108,765,661	\$4,370,568	\$93,246,966	\$7,078,993	\$4,069,134	996.0
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2008-09 Adjusted Appropriation	\$108,765,661	\$4,370,568	\$93,246,966	\$7,078,993	\$4,069,134	996.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	4,476,183	253,714	3,914,445	194,466	113,558	0.0
Operating adjustments	699,732	0	602,728	28,373	68,631	0.0
Annualize FY 2008-09 supplemental appropriation	158,192	128,252	29,940	0	0	0.0
CSP Garage Operations	145,224	0	0	145,224	0	1.0
Postage increase and mail equipment upgrade	5,359	0	5,359	0	0	0.0
Fund mix adjustment	0	0	(49,946)	49,946	0	0.0
CSP homeland security reduction	(158,880)	(158,880)	0	0	0	(2.0)
Indirect cost adjustment	(158,106)	0	(142,362)	(8,266)	(7,478)	0.0
Annualize prior year funding	(108,365)	0	(108,365)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$113,825,000	\$4,593,654	\$97,498,765	\$7,488,736	\$4,243,845	995.0
\$ Change from prior year	\$5,059,339	\$223,086	\$4,251,799	\$409,743	\$174,711	(1.0)
% Change from prior year	4.7%	5.1%	4.6%	5.8%	4.3%	(0.1)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Operating adjustments: The recommendation includes increases associated with vehicle lease payments. The increases are partially offset by a reduction associated with the consolidation of the Office of Information Technology.

Annualize FY 2008-09 supplemental appropriation: The recommendation restores one-time reductions taken as budget balancing measures in the FY 2008-09 supplemental.

CSP garage operations: The recommendation includes an increase of \$145,224 reappropriated funds and 1.0 mechanic FTE associated with operations at the CSP garage at Camp George West.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

Fund mix adjustment: The recommendation reflects an adjustment to replace \$49,946 cash funds in the Sergeants, Technicians, and Troopers line item with reappropriated funds.

CSP homeland security reduction: The recommendation includes a reduction of \$158,880 General Fund and 2.0 FTE to effectively curtail operations of the CSP Critical Infrastructure Assessment (Rubicon) Team. The 2.0 FTE would be reduced through attrition and the affected troopers would transfer to open positions elsewhere within the State Patrol.

Indirect cost adjustment: The recommendation reflects a decrease related to indirect cost recoveries.

Annualize prior year funding: The recommendation reflects an elimination of one-time funding associated with an FY 2008-09 decision item related to the Patrol's Traffic Safety Improvement Plan.

Office of Preparedness, Security, and Fire Safety: The Office of Preparedness, Security, and Fire Safety consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training. The Division of Fire Safety provides technical assistance to local governments, maintains a state-wide reporting system, administers various voluntary certification and training programs, and oversees fireworks and fire suppression system regulation. The Office of Anti-terrorism Planning and Training is responsible for coordinating the State's response to the threat of terrorism. This Office includes: (1) the Colorado Intelligence Analysis Center; (2) the Critical Infrastructure Protection and Planning Unit; and (3) the Colorado State Patrol Homeland Security Unit.

Office of Preparedness, Security, and Fire Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,078,133	\$332,400	\$1,057,352	\$180,641	\$507,740	19.1
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	56,529	5,060	14,057	6,253	31,159	0.0
Annualize prior year funding	32,043	14,909	5,535	11,599	0	0.9
Indirect cost adjustment	28,086	0	28,819	2,001	(2,734)	0.0
Postage increase and mail equipment upgrade	1,785	369	1,127	0	289	0.0
CSP homeland security reduction	(75,800)	0	0	0	(75,800)	0.0
Total FY 2009-10 JBC Recommendation	\$2,120,776	\$352,738	\$1,106,890	\$200,494	\$460,654	20.0
\$ Change from prior year	\$42,643	\$20,338	\$49,538	\$19,853	(\$47,086)	0.9
% Change from prior year	2.1%	6.1%	4.7%	11.0%	(9.3)%	4.7%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year funding: The recommendation includes funding to annualize bills or decision items approved for FY 2008-09.

Indirect cost adjustment: The recommendation reflects an increase related to indirect cost recoveries.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

CSP homeland security reduction: The recommendation reflects a reduction of \$75,800 federal funds associated with the curtailment of the CSP Critical Infrastructure Assessment (Rubicon) Team in FY 2009-10.

Division of Criminal Justice: This division collects criminal justice system data and analyzes that information for planning, research, coordination, and technical assistance purposes. Technical assistance is provided to local and state criminal justice agencies in the areas of crime prevention, needs assessment, jail planning, information dissemination, and management studies. The Division manages several types of federal funds in the areas of juvenile justice, anti-drug programs, victim assistance, and victim compensation. The Division also administers the Victims Assistance and Law Enforcement Fund Program. Additionally, the Division is responsible for the administration of community corrections contracts for both transition and diversion programs, and for the management of juvenile diversion programs.

Division of Criminal Justice	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Adjusted Appropriation	\$78,774,482	\$54,151,401	\$3,736,531	\$774,702	\$20,111,848	62.1
Recommended Changes from FY 2008-09 Appropriation						
Increase of 44 inpatient therapeutic community beds for southern Colorado	862,576	862,576	0	0	0	0.0
Caseload increase for base community corrections beds	688,262	683,996	4,266	0	0	0.0
Accelerated non-residential community corrections diversion pilot	197,392	197,392	0	0	0	0.0
90-day intensive residential treatment pilot project	194,076	0	194,076	0	0	0.0
Community corrections discharge planners	160,381	160,381	0	0	0	1.8
Annualize salary and benefits adjustments	123,303	71,414	27,171	21,308	3,410	0.0
Restore outpatient therapeutic community beds	116,667	116,667	0	0	0	0.0

Division of Criminal Justice	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	8,358	8,358	0	0	0	0.1
Change in indirect costs	6,083	0	(3,656)	0	9,739	0.0
Postage increase and mail equipment upgrade	1,636	694	0	0	942	0.0
Consolidate funding of Governor's Office of IT	1,383	0	1,383	0	0	0.0
FTE for Criminal Justice Training Fund	0	0	0	0	0	0.5
Eliminate day reporting services funding within this department	(467,317)	(467,317)	0	0	0	0.0
Reduction for the John Eachon Re-entry Center	(144,540)	(144,540)	0	0	0	0.0
Reduction for Lifesaver Cash Fund lack of revenue	(125,000)	0	(125,000)	0	0	(0.1)
Total FY 2009-10 JBC Recommendation	\$80,397,742	\$55,641,022	\$3,834,771	\$796,010	\$20,125,939	64.4
\$ Change from prior year	\$1,623,260	\$1,489,621	\$98,240	\$21,308	\$14,091	2.3
% Change from prior year	2.1%	2.8%	2.6%	2.8%	0.1%	3.7%

Issue Descriptions

Increase of 44 inpatient therapeutic community beds for southern Colorado: The recommendation includes funding for 44 additional inpatient therapeutic community beds for southern Colorado. These residential community corrections beds are intended for offenders with severe substance abuse needs.

Caseload increase for base community corrections beds: The recommendation includes funding for residential community corrections transition placements based on the anticipated increase in the prison population using the December 2008 Legislative Council Staff inmate population projections. The recommendation assumes 7.0 percent of the inmate population will be placed in a community corrections program. The recommendation also includes funding for additional residential community corrections diversion placements.

Accelerated non-residential community corrections diversion pilot: The recommendation includes funding for a pilot project to accelerate the movement of 40 selected offenders from residential community corrections into non-residential community corrections placements. The pilot project is funded through savings in the Department of Corrections associated with opening up residential community corrections beds more quickly.

90-day intensive residential treatment pilot project: The recommendation includes funding for a 90-day intensive residential treatment pilot project. The pilot project is being funded through the Drug Offender Surcharge Cash Fund.

Community corrections discharge planners: The recommendation includes funding for 2.0 FTE community corrections discharge planners. These discharge planners will facilitate the proper selection and transfer of offenders with mental health and substance abuse needs from prison into community corrections residential placements.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Restore outpatient therapeutic community beds: The recommendation includes funding to restore the outpatient therapeutic community beds that were reduced during the FY 2008-09 supplemental process.

Annualize prior year funding: The recommendation includes funding to annualize bills or decision items approved for FY 2008-09.

Change in indirect costs: The recommendation includes an adjustment for indirect cost assessments.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

Consolidate funding of Governor's Office of IT: The recommendation includes funding to consolidate the Governor's Office of Information Technology.

FTE for Criminal Justice Training Fund: The recommendation includes 0.5 FTE, to be funded out of current appropriations, for coordination of training courses offered under the Colorado Regional Community Policing Institute (CRCPI) Training Unit.

Eliminate day reporting services funding within this department: The recommendation includes a reduction associated with eliminating the funding for day reporting services within this department.

Reduction for the John Eachon Re-entry Center: The recommendation includes a reduction associated with a decrease in funding for the John Eachon Re-entry Center.

Reduction for Lifesaver Cash Fund lack of revenue: The recommendation includes a reduction associated with a lack of cash fund revenue for lifesaver programs.

Colorado Bureau of Investigation: The Bureau provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on wants, warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The Bureau also operates the State's "instacheck" criminal background check program for the firearms industry. In FY 2007-08, the program performed background checks for more than 170,000 firearm transfers. The laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence.

Colorado Bureau of Investigation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$27,653,948	\$16,404,775	\$6,636,242	\$3,781,293	\$831,638	231.3
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	647,080	510,722	84,131	42,607	9,620	0.0
CBI Grand Junction laboratory operating costs	221,239	221,239	0	0	0	0.0
Annualize FY 2008-09 supplemental appropriation	31,755	66,755	(35,000)	0	0	0.0
Operating adjustments	15,049	9,832	0	5,013	204	0.0
Postage increase and mail equipment upgrade	5,441	3,919	1,522	0	0	0.0
Annualize prior year funding	(236,704)	(1,054)	555	(236,205)	0	(1.0)
Indirect cost adjustment	(6,890)	0	(779)	(6,111)	0	0.0
Total FY 2009-10 JBC Recommendation	\$28,330,918	\$17,216,188	\$6,686,671	\$3,586,597	\$841,462	230.3
\$ Change from prior year	\$676,970	\$811,413	\$50,429	(\$194,696)	\$9,824	(1.0)
% Change from prior year	2.4%	4.9%	0.8%	(5.1)%	1.2%	(0.4)%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

CBI Grand Junction laboratory operating costs: The recommendation includes funding to cover higher-than-expected operating and maintenance costs at the CBI's Grand Junction Laboratory Facility.

Annualize FY 2008-09 supplemental appropriation: The recommendation includes adjustments to reverse one-time changes made in the FY 2008-09 supplemental.

Operating adjustments: The recommendation includes funding for increased vehicle lease costs.

Postage increase and mail equipment upgrade: The recommendation includes funding for a postage increase and mail equipment upgrade approved in the Department of Personnel and Administration.

Annualize prior year funding: The recommendation includes funding to annualize bills or decision items approved for FY 2008-09.

Indirect cost adjustment: The recommendation reflects an increase related to indirect cost recoveries.

Department of Regulatory Agencies

Department Description: The Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating the banks and credit unions, insurance providers and agents, public utilities, over forty various professions, securities, real estate agents and mortgage brokers, and enforcing Colorado's equal rights laws.

Summary Table for Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$77,710,468	\$1,465,862	\$66,331,122	\$8,595,150	\$1,318,334	576.1
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office and Administrative Services	(657,886)	(53,113)	(664,856)	37,770	22,313	0.0
Division of Banking	881,444	0	881,444	0	0	6.0
Civil Rights Division	217,290	336,129	0	(138,292)	19,453	1.4
Office of Consumer Counsel	28,057	0	28,057	0	0	0.0
Division of Financial Services	255,438	0	255,438	0	0	2.0
Division of Insurance	291,999	0	295,783	0	(3,784)	1.9
Public Utilities Commission	833,929	0	833,929	0	0	(0.2)
Division of Real Estate	167,342	0	167,342	0	0	(1.0)
Division of Registrations	536,137	(67,400)	526,733	76,804	0	1.1
Division of Securities	255,114	0	255,114	0	0	2.0
Total FY 2009-10 JBC Recommendation	\$80,519,332	\$1,681,478	\$68,910,106	\$8,571,432	\$1,356,316	589.3
\$ Change from prior year	\$2,808,864	\$215,616	\$2,578,984	(\$23,718)	\$37,982	13.2
% Change from prior year	3.5%	12.8%	3.7%	(0.3)%	2.8%	2.2%

Recommendation Highlights:

1. Provides \$593,262 cash funds and 6.0 FTE for the Division of Banking to account for the growth in the banking industry and current economic banking climate.
2. Adds \$199,874 cash funds and 2.0 FTE to the Division of Financial Services to account for the growth in the financial services industry and current economic climate.
3. Provides \$199,159 cash funds to the Public Utilities Commission to add 2.0 FTE who will represent Colorado at national and regional electric transmissions planning meetings and conferences.
4. Provides \$141,482 cash funds to the Division of Securities to add 2.0 FTE to examine investment advisory firms.
5. Eliminates \$1,856,044 for salary survey and performance-based pay in FY 2009-10.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office and Administrative Services: The Executive Director's Office performs Department-wide administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. The Office of Policy and Research is located within this Office and is responsible for conducting sunrise and sunset studies for state agencies.

Executive Director's Office and Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$22,225,260	\$528,285	\$15,354,368	\$5,996,928	\$345,679	52.3
Recommended Changes from FY 2008-09 Appropriation						
Centrally-appropriated line items	1,205,064	41,875	1,030,513	110,363	22,313	0.0
Annualize salary and benefit adjustments	202,415	0	0	202,415	0	0.0
Eliminate salary survey and performance-based pay	(1,856,044)	(86,146)	(1,474,104)	(295,794)	0	0.0
Operating adjustments	(208,803)	0	(211,150)	2,347	0	0.0
Other	(518)	(8,842)	(10,115)	18,439	0	0.0
Total FY 2009-10 JBC Recommendation	\$21,567,374	\$475,172	\$14,689,512	\$6,034,698	\$367,992	52.3
\$ Change from prior year	(\$657,886)	(\$53,113)	(\$664,856)	\$37,770	\$22,313	0.0
% Change from prior year	(3.1)%	(11.2)%	(4.5)%	0.6%	6.1%	0.0%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life and dental benefits, the Public Employees' Retirement Association pension fund, workers' compensation, legal services, administrative law judge services, purchase of services from the computer center, management and administration of the Office of Information Technology, payments to the risk management and property funds, vehicle lease payments, and capitol complex lease space.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09, but are not recommended for FY 2009-10.

Operating adjustments: The recommendation eliminates \$211,150 to annualize a hardware/software appropriation made in FY 2008-09, as well as adding \$2,347 reappropriated funds for mail equipment and postage increase.

Other: The recommendation includes small changes to various division line items, including a fund split adjustment for the annualization of sunset reviews.

Division of Banking: The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of institutions and ensure compliance with the Public Deposit Protection Act. All funding for this Division is from the Division of Banking Cash Fund, pursuant to Section 11-102-403, C.R.S.

Division of Banking	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$3,487,095	\$0	\$3,487,095	\$0	\$0	38.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Increase banking FTE	593,262	0	593,262	0	0	6.0
Annualize salary and benefit adjustments	146,279	0	146,279	0	0	0.0
Annualize FY 2008-09 hiring freeze	97,315	0	97,315	0	0	0.0
Other	44,588	0	44,588	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$4,368,539	\$0	\$4,368,539	\$0	\$0	44.5
\$ Change from prior year	\$881,444	\$0	\$881,444	\$0	\$0	6.0
% Change from prior year	20.2%	n/a	20.2%	n/a	n/a	13.5%

Issue Descriptions

Increase banking FTE: The recommendation increases the Division's cash fund appropriation by \$593,262 and 6.0 FTE for new examiners to ensure the Division maintains a safe regulatory environment for Colorado's banking institutions.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Other: The recommendation includes small changes to various division line items.

Civil Rights Division: The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission, and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, martial status, or sexual orientation.

Civil Rights Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,732,747	\$870,177	\$0	\$418,653	\$443,917	31.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	113,398	113,398	0	0	0	1.4
Annualize salary and benefit adjustments	81,752	81,752	0	0	0	0.0
Other	22,140	140,979	0	(138,292)	19,453	0.0
Total FY 2009-10 JBC Recommendation	\$1,950,037	\$1,206,306	\$0	\$280,361	\$463,370	32.4
\$ Change from prior year	\$217,290	\$336,129	\$0	(\$138,292)	\$19,453	1.4
% Change from prior year	11.1%	27.9%	n/a	(49.3)%	4.2%	4.3%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes small changes to various division line items.

Office of Consumer Counsel: The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utility Commission. All funding for this Division is from the Public Utilities Commission Fixed Utility Fund, pursuant to Section 40-2-114, C.R.S.

Office of Consumer Counsel	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$914,096	\$0	\$914,096	\$0	\$0	7.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	32,644	0	32,644	0	0	0.0
Other	(4,587)	0	(4,587)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$942,153	\$0	\$942,153	\$0	\$0	7.0
\$ Change from prior year	\$28,057	\$0	\$28,057	\$0	\$0	0.0
% Change from prior year	3.0%	n/a	3.1%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes small changes to various division line items.

Division of Financial Services: This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of institutions to ensure continued compliance with regulatory standards. All funding for this Division is from the Division of Financial Services Cash Fund, pursuant to Section 11-40-106 (2), C.R.S.

Division of Financial Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,242,456	\$0	\$1,242,456	\$0	\$0	13.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Additional examiners	199,874	0	199,874	0	0	2.0
Annualize salary and benefit adjustments	40,951	0	40,951	0	0	0.0
Other	14,613	0	14,613	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,497,894	\$0	\$1,497,894	\$0	\$0	15.0
\$ Change from prior year	\$255,438	\$0	\$255,438	\$0	\$0	2.0
% Change from prior year	17.1%	n/a	17.1%	n/a	n/a	13.3%

Issue Descriptions

Additional examiners: The recommendation increases the Division's cash fund appropriation by \$199,874 and 2.0 FTE so the Division is able to maintain regulatory standards on the financial services industry by hiring additional examiners.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes small changes to various division line items.

Division of Insurance: This Division is responsible for the licensing of insurance agents and adjusters, regulation insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contractions.

Division of Insurance	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$8,745,619	\$0	\$8,223,373	\$0	\$522,246	84.8
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	254,452	0	254,452	0	0	0.0
Annualize FY 2008-09 hiring freeze	104,890	0	104,890	0	0	0.0
Annualize prior year funding	(73,277)	0	(73,277)	0	0	1.9
Other	5,934	0	9,718	0	(3,784)	0.0
Total FY 2009-10 JBC Recommendation	\$9,037,618	\$0	\$8,519,156	\$0	\$518,462	86.7
\$ Change from prior year	\$291,999	\$0	\$295,783	\$0	(\$3,784)	1.9
% Change from prior year	3.2%	n/a	3.5%	n/a	(0.7)%	2.2%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation annualizes legislation passed during the 2008 Session, and the FY 2008-09 supplemental.

Other: The recommendation includes small changes to various division line items.

Public Utilities Commission: The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program.

Public Utilities Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$15,333,919	\$0	\$15,333,919	\$0	\$0	101.1
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	437,527	0	437,527	0	0	0.0
Annualize salary and benefit adjustments	354,940	0	354,940	0	0	0.0
Electric Transmission Planning FTE	199,159	0	199,159	0	0	2.0
Eliminate vacant FTE and salaries	(122,628)	0	(122,628)	0	0	(2.0)

Public Utilities Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(19,084)	0	(19,084)	0	0	(0.2)
Other	(15,985)	0	(15,985)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$16,167,848	\$0	\$16,167,848	\$0	\$0	100.9
\$ Change from prior year	\$833,929	\$0	\$833,929	\$0	\$0	(0.2)
% Change from prior year	5.2%	n/a	5.2%	n/a	n/a	(0.2)%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Electric Transmission Planning FTE: The recommendation increases the Commission's appropriation by \$199,159 cash funds and 2.0 FTE so the Division can participate in transmission planning conferences.

Eliminate vacant FTE and salaries: The recommendation includes a reduction of \$122,628 cash funds and 2.0 FTE due to long-term vacant positions.

Annualize prior year funding: The recommendation annualizes H.B. 08-1227, and the FY 2008-09 budget action regarding Public Utilities Commission use of finger print information.

Other: The recommendation includes small changes to various division line items.

Division of Real Estate: The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that is responsive to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees.

Division of Real Estate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$4,191,633	\$0	\$4,191,633	\$0	\$0	50.1
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	118,531	0	118,531	0	0	0.0
Annualize FY 2008-09 hiring freeze	110,736	0	110,736	0	0	0.0
Annualize prior year funding	(62,345)	0	(62,345)	0	0	(1.0)
Other	420	0	420	0	0	0.0

Division of Real Estate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2009-10 JBC Recommendation	\$4,358,975	\$0	\$4,358,975	\$0	\$0	49.1
\$ Change from prior year	\$167,342	\$0	\$167,342	\$0	\$0	(1.0)
% Change from prior year	3.8%	n/a	3.8%	n/a	n/a	(2.0)%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation reflects a reduction of 1.0 FTE and \$62,345 cash funds pursuant to H.B. 08-1353 (Conservation Easement Oversight).

Other: The recommendation includes small changes to various division line items.

Division of Registrations: This Division regulates over 300,000 licensees in more than forty professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimal level of competency and rules to ensure a safe environment for professionals and customers.

Division of Registrations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$17,317,363	\$67,400	\$15,063,902	\$2,179,569	\$6,492	178.3
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefit adjustments	441,453	0	364,419	77,034	0	0.0
Annualize FY 2008-09 hiring freeze	230,160	0	230,160	0	0	0.0
Office of Expedited Settlement	58,340	0	58,340	0	0	1.0
Annualize prior year funding	(232,385)	(67,400)	(164,985)	0	0	0.1
Other	38,569	0	38,799	(230)	0	0.0
Total FY 2009-10 JBC Recommendation	\$17,853,500	\$0	\$15,590,635	\$2,256,373	\$6,492	179.4
\$ Change from prior year	\$536,137	(\$67,400)	\$526,733	\$76,804	\$0	1.1
% Change from prior year	3.0%	(100.0)%	3.4%	3.4%	0.0%	0.6%

Issue Descriptions

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Office of Expedited Settlement: The recommendation adds \$58,430 cash funds and 1.0 FTE to the Office.

Annualize prior year funding: The recommendation annualizes funding received through prior year legislation and budget actions.

Other: The recommendation includes small changes to various division line items.

Division of Securities: This Division monitors the conduct of state-licensed broker-dealers and sales representatives, as well as investigating complaints and other indications of investment fraud. Division staff also perform examinations of dealer offices and investment advisory firms.

Division of Securities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$2,520,280	\$0	\$2,520,280	\$0	\$0	20.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Additional examiners	141,482	0	141,482	0	0	2.0
Annualize salary and benefit adjustments	76,599	0	76,599	0	0	0.0
Other	37,033	0	37,033	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$2,775,394	\$0	\$2,775,394	\$0	\$0	22.0
\$ Change from prior year	\$255,114	\$0	\$255,114	\$0	\$0	2.0
% Change from prior year	9.2%	n/a	9.2%	n/a	n/a	9.1%

Issue Descriptions

Additional examiners: The recommendation adds \$141,482 cash funds and 2.0 FTE to the Division, so the Division is able to maintain regulatory standards on investment advisory firms by hiring additional examiners.

Annualize salary and benefit adjustments: The recommendation annualizes salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Other: The recommendation includes small changes to various division line items.

Department of Revenue

Department Description: The Department is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation group collects revenue for the state and for local governments; the Division of Motor Vehicles, which also oversees Motor Carrier Services, regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Enforcement group regulates alcohol, tobacco, and gambling. The three functional areas are supported by the Executive Director's Office, Central Department Operations and Information Technology Divisions. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales, which accounts for almost 70 percent of the Department's annual budget.

Summary Table for Department of Revenue						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$686,941,731	\$100,286,552	\$583,791,133	\$1,392,448	\$1,471,598	1,496.6
SB 09-274: Refinance Division of Motor Vehicles	0	0	(130,000)	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$686,811,731	\$100,286,552	\$583,661,133	\$1,392,448	\$1,471,598	1,496.6
Recommended Changes from FY 2008-09 by Long Bill Division						
Executive Director's Office	(2,377,644)	(1,406,321)	(1,114,023)	142,700	0	0.1
Central Department Operations Division	634,881	645,296	25,009	(35,424)	0	0.0
Information Technology Division	663,203	544,084	185,999	(66,880)	0	0.0
Taxation Business Group	(8,121,999)	(8,059,476)	(28,255)	(33,234)	(1,034)	8.9
Division of Motor Vehicles	1,462,775	657,659	805,116	0	0	0.0
Motor Carrier Services	506,990	21,277	458,935	9,598	17,180	0.0
Enforcement Business Group	976,510	21,375	956,097	(962)	0	2.5
State Lottery Division	5,014,029	0	5,014,029	0	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$685,570,476	\$92,710,446	\$589,964,040	\$1,408,246	\$1,487,744	1,508.1
SB 09-274: Refinance Division of Motor Vehicles in FY	808,718	(16,177,259)	16,985,977	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$686,379,194	\$76,533,187	\$606,950,017	\$1,408,246	\$1,487,744	1,508.1
\$ Change from prior year	(\$432,537)	(\$23,753,365)	\$23,288,884	\$15,798	\$16,146	11.5
% Change from prior year	(0.1)%	(23.7)%	4.0%	1.1%	1.1%	0.8%

Recommendation Highlights:

1. Includes \$957,418 General Fund and 10.1 FTE for expanding the State's out-of-state tax compliance and enforcement program.
2. Includes \$290,820 cash funds from the Colorado State Titling and Registration Account for an upgrade to the computer module that handles the State's titles data warehouse application.

3. Refinances \$2.02 million of General Fund expenses from the Driver's License Administrative Revocation Account in the Driver Control section of Driver and Vehicle Services in the Division of Motor Vehicles. Because of the paydate shift, the General Fund savings in the first year are \$1.87 million.
4. Reflects a reduction of \$8.7 million in the Old Age Heat and Fuel and Property Tax Assistance grants.
5. Reflects a reduction of \$1.1 million in the Cigarette Tax Rebate to local governments.

JBC Budget Package Legislation Summary:

1. S.B. 09-274 Refinance Division of Motor Vehicles: Would permit the use of \$765,000 from the Motorist Insurance Identification Account of the Highway Users Tax Fund (HUTF) and \$649,381 from the HUTF "Off-the-Top" moneys to offset a corresponding expenditure in the Division of Motor Vehicle, Driver and Vehicle Services from the Licensing Services Cash Fund in FY 2008-09. This bill would allow the General Assembly to transfer the funds as a part of S.B. 09-279. The bill refinances the Division of Motor Vehicles FY 2009-10 by reallocating driver's license fees from the HUTF to the Licensing Services Cash Fund, thus reducing General Fund spending in the Division of Motor Vehicles by approximately \$16 million.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds
FY 2008-09 Appropriation	\$31,650,045	\$19,134,570	\$12,089,596	\$425,879	\$0	48.7
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Centrally-appropriated line items	1,386,094	854,348	531,746	0	0	0.0
Annualize salary and benefits adjustments	170,357	(32,431)	60,088	142,700	0	0.0
Expanded out-of-state tax compliance and enforcement	80,000	80,000	0	0	0	0.0
Variable vehicle expense- Limited Gaming Division	67,167	0	67,167	0	0	0.0
Annualize FY 2008-09 hiring freeze	34,711	34,711	0	0	0	0.0
Annualize funding and FTE for S.B. 07-228	5,862	5,862	0	0	0	0.1
Eliminate salary survey and performance-based pay awards	(4,121,835)	(2,490,390)	(1,631,445)	0	0	0.0
Indirect costs adjustments	0	141,579	(141,579)	0	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$29,272,401	\$17,728,249	\$10,975,573	\$568,579	\$0	48.8
\$ Change from prior year	(\$2,377,644)	(\$1,406,321)	(\$1,114,023)	\$142,700	\$0	0.1
% Change from prior year	(7.5)%	(7.4)%	(9.2)%	33.5%	n/a	0.2%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, administrative law judge services, purchase of services from the state's computer center, the multiuse network, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Expanded out-of-state tax compliance and enforcement: The recommendation includes funding to expand the out-of-state tax compliance and enforcement. The recommendation includes an increase for leased space for out-of-state offices as part of the centrally-appropriated line item.

Variable vehicle expense - Limited Gaming Division: The recommendation provides centrally-appropriated spending authority to the Executive Director's office to bring the appropriation in line with the appropriation authorized by the Limited Gaming Commission, which has constitutional authority to appropriate the expenses for the Division.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year funding: The recommendation annualizes funding and FTE to implement S.B. 07-228 regarding vendor performance of state contracts.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Indirect costs adjustments: The recommendation reallocates funding between the General Fund and various cash funds to properly account for the source of funds for programs.

Central Department Operations Division : This division records and maintains transactions that enable the Department to meet various statutory responsibilities, many of which are related to taxes, licensing and various other fee payments. Such transactions also include the deposit of tax remittances; the processing of tax documents from the receipt of returns through the issuance of applicable refunds; and the processing of income tax refund warrants. This division also performs a variety of incoming and outgoing mail services.

Central Department Operations Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$11,570,244	\$10,759,519	\$706,255	\$104,470	\$0	109.9
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	270,337	290,230	15,531	(35,424)	0	0.0
Pueblo data entry center payments	156,873	156,873	0	0	0	0.0
USPS postage rate increase	106,247	96,769	9,478	0	0	0.0
Document imaging and storage	61,908	61,908	0	0	0	0.0
Document transport lease	38,000	38,000	0	0	0	0.0
Other	1,516	1,516	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$12,205,125	\$11,404,815	\$731,264	\$69,046	\$0	109.9
\$ Change from prior year	\$634,881	\$645,296	\$25,009	(\$35,424)	\$0	0.0
% Change from prior year	5.5%	6.0%	3.5%	(33.9)%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Pueblo data entry center payments: The recommendation provides an increase due to a rate increase imposed by the Department of Personnel and Administration (DPA) and an increase in the data captured from the oil and gas severance tax withholding form.

Postage rate increase: The recommendation includes an increase to account for rate increases imposed by the United States Postal Service (U.S.P.S.).

Document imaging and storage: The recommendation provides an increase due to a rate increase imposed by Department of Personnel and Administration for the digital storage of documents and an increase in the volume of stored images.

Document transport lease: The recommendation includes the costs to lease a Unisys 300 document transport, to replace an existing transport that has exceeded its useful life.

Other: The recommendation includes the annualization of H.B. 07-1106 regarding property tax credit eligibility changes.

Information Technology Division: This division is divided between two subsections: Systems Support, which provides the bulk of the Department's various information technology requirements; and the Colorado State Titling and Registration System (CSTARS), which was created in 1983 to automate the distribution of vehicle registration taxes among the State, the counties, and the Highway Users Tax Fund (HUTF).

Information Technology Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$12,621,384	\$4,895,849	\$7,251,683	\$473,852	\$0	113.6
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	344,867	249,441	95,426	0	0	0.0
VIPER update for CSTARS	290,820	0	290,820	0	0	0.0
County office improvements	47,377	0	47,377	0	0	0.0
Programming costs for legislation	24,762	(57,234)	81,996	0	0	0.0
Annualize FY 2008-09 hiring freeze	8,703	4,892	3,811	0	0	0.0
Annualize prior year decision items	(53,326)	0	(53,326)	0	0	0.0
Indirect costs adjustments	0	346,985	(280,105)	(66,880)	0	0.0
Total FY 2009-10 JBC Recommendation	\$13,284,587	\$5,439,933	\$7,437,682	\$406,972	\$0	113.6
\$ Change from prior year	\$663,203	\$544,084	\$185,999	(\$66,880)	\$0	0.0
% Change from prior year	5.3%	11.1%	2.6%	(14.1)%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

VIPER update for the Colorado State Titling and Registration System (CSTARS): The recommendation provides funding for an update to the hardware and software systems that provide for the titling module of the CSTARS system. The existing system is ten years old and is no longer supported.

County office improvements: The recommendation provides funding for equipment, software and training associated with the opening of a new county office in Pueblo County.

Programming costs for legislation: The recommendation annualizes the funding associated with the programming costs of legislation.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize prior year decision items: Annualizes the one-time costs associated with prior year decision items regarding county office improvements.

Indirect costs adjustments: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

Taxation Business Group: This division is responsible for implementing programs related to the collection of taxes; the provision of customer service to taxpayers; the resolution of tax disputes; and the administration of certain tax rebate and assistance programs.

Taxation Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$55,113,417	\$51,748,020	\$2,437,741	\$201,828	\$725,828	326.2
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	950,245	946,928	3,317	0	0	0.0
Out-of-state tax law enforcement and compliance	877,418	877,418	0	0	0	10.1
Annualize FY 2008-09 hiring freeze	23,011	23,011	0	0	0	0.0
Old Age Heat & Fuel and Property Tax Assistance Grants /a	(8,700,000)	(8,700,000)	0	0	0	0.0
Cigarette tax rebate /a	(1,100,000)	(1,100,000)	0	0	0	0.0
Annualize prior year funding	(140,207)	(139,898)	(309)	0	0	(1.2)
Amendment 35 distribution to local governments	(31,432)	0	(31,432)	0	0	0.0
Federal funding adjustment	(1,034)	0	0	0	(1,034)	0.0
Indirect costs adjustments	0	33,065	169	(33,234)	0	0.0
Total FY 2009-10 JBC Recommendation	\$46,991,418	\$43,688,544	\$2,409,486	\$168,594	\$724,794	335.1
\$ Change from prior year	(\$8,121,999)	(\$8,059,476)	(\$28,255)	(\$33,234)	(\$1,034)	8.9
% Change from prior year	(14.7)%	(15.6)%	(1.2)%	(16.5)%	(0.1)%	2.7%

/a For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution, these moneys are included for informational purposes. These amounts are continuously appropriated by a permanent statute or constitutional provision and shall not be deemed to be an appropriation subject to the limitations of Section 24-75-201.1, C.R.S.

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Out-of-state tax compliance and enforcement: The recommendation provides for an expansion of the State's efforts to audit taxpayers and collect taxes from entities headquartered out-of-state, but doing business in the State. The recommendation increases FTE by 10.1.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Old Age Heat & Fuel and Property Tax Assistance Grants: The recommendation adjusts spending authority for the Old Age Heat & Fuel and Property Tax Assistance Grants to reflect the most recent Legislative Council staff revenue forecast.

Cigarette tax rebate: The recommendation adjusts spending authority for the Cigarette Tax Rebate to reflect the most recent Legislative Council staff revenue forecast.

Annualize prior year funding: The recommendation annualizes the funding associated with the costs of implementing S.B. 09-212, which reduced the vendor fee.

Amendment 35 distribution to local governments: The recommendation adjusts spending authority for the Amendment 35 distribution to local governments to reflect the most recent Legislative Council staff revenue forecast.

Federal funding adjustment: Reflects an expected decrease in federal funds for federal mineral lease audits.

Indirect costs adjustments: The recommendation reallocates funding to properly account for the source of funds for programs.

Division of Motor Vehicles: This division is responsible for licensing drivers; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; and administering the Motorist Insurance Identification Database program.

Division of Motor Vehicles	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$30,900,970	\$12,921,600	\$17,979,370	\$0	\$0	444.3
SB 09-274 Refinance Driver and Vehicle Services	0	0	0	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$30,900,970	\$12,921,600	\$17,979,370	\$0	\$0	444.3
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	848,034	641,107	206,927	0	0	0.0
Annualize prior year legislation	405,120	0	405,120	0	0	0.0
Annualize FY 2008-09 hiring freeze	163,222	72,643	90,579	0	0	0.0
Digital storage increase	152,469	0	152,469	0	0	0.0
Annualize prior year funding	(106,070)	(239,413)	133,343	0	0	0.0
Refinance driver's license documents	0	171,849	(171,849)	0	0	0.0
Indirect costs adjustments	0	11,473	(11,473)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$32,363,745	\$13,579,259	\$18,784,486	\$0	\$0	444.3
\$ Change from prior year	\$1,462,775	\$657,659	\$805,116	\$0	\$0	0.0
% Change from prior year	4.7%	5.1%	4.5%	n/a	n/a	0.0%

Issue Descriptions

S.B. 09-274 Refinance of Driver and Vehicle Services: See the Department's summary section for this bill's description.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year legislation: The recommendation annualizes the costs associated with H.B. 08-1194, which increased penalties for drunk driving, and required the Department of Revenue to assist with the purchase of ignition interlock devices for eligible persons, and also annualizes the cost of several special license plate bills passed during the 2008 session.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Digital storage increase: The recommendation increases funding for digital storage of documents that the Department is required to store.

Annualize prior funding: The recommendation annualizes the funding for a decision item in FY 2008-09 for digital image storage for the Titles section; annualizes the funding as a result of a supplemental refinancing Driver Control Section expenses from the General Fund to the Driver's License Administrative Revocation Account; and restores the funding splits that were the result of one-time refinancing of Driver and Vehicle Services in the Division of Motor Vehicles.

Refinance Drivers License Documents: The recommendation adjusts the funding splits for this line, which provides the physical identification and driver's license documents. The Identification Security Fund, which provides partial funding for this line, is scheduled to sunset on July 1, 2009. The recommendation is to spend the remaining moneys in the fund, and to replace the reduced cash funds with General Fund.

Indirect costs adjustments: The recommendation reallocates costs between fund sources.

Motor Carrier Services: This division is responsible for registering motor carriers; collecting registration fees charged to fuel distributors, petroleum storage companies, and interstate carriers; ensuring compliance with vehicle safety regulations; and enforcing laws concerning both owners and operators of motor carriers.

Motor Carrier Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$7,038,651	\$0	\$7,038,651	\$0	\$0	0.0
SB 09-274 refinance driver and vehicle services	(130,000)	0	(130,000)	0	0	0.0
FY 2008-09 Adjusted Appropriation	\$8,390,301	\$661,634	\$6,908,651	\$74,246	\$745,770	144.2

Motor Carrier Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	359,810	30,875	328,935	0	0	0.0
Restore funding from SB 09-274	130,000	0	130,000	0	0	0.0
Motor Carrier Safety Assistance Program	17,180	0	0	0	17,180	0.0
Indirect costs adjustment	0	(9,598)	0	9,598	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$8,897,291	\$682,911	\$7,367,586	\$83,844	\$762,950	144.2
\$ Change from prior year	\$506,990	\$21,277	\$458,935	\$9,598	\$17,180	0.0
% Change from prior year	6.0%	3.2%	6.6%	12.9%	2.3%	0.0%

Issue Descriptions

S.B. 09-274 Refinance of Driver and Vehicle Services: See the Department's summary section for this bill's description.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Motor Carrier Safety Assistance Program: The recommendation reflects increased federal funding for the program.

Indirect costs adjustments: The recommendation refinances General Fund with various cash funds to more accurately reflect program costs.

Enforcement Business Group: This division regulates the limited gaming industry; regulates horse and dog racing events; enforces the state's liquor and tobacco laws; and licenses liquor retailers, wholesalers, and manufacturers. It regulates the distribution of motor vehicles; and it manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes.

Enforcement Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$42,323,010	\$165,360	\$42,045,477	\$112,173	\$0	183.7
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	542,369	16,687	525,682	0	0	0.0
Annualize FY 2008-09 hiring freeze	154,235	0	154,235	0	0	0.0
Increased liquor enforcement division staff	105,808	0	105,808	0	0	2.0

Enforcement Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Digital imaging storage costs for Motor Vehicle Dealer Licensing Board	86,290	0	86,290	0	0	0.0
Indirect costs assessment	52,661	0	52,661	0	0	0.0
S.B. 08-026 appropriation	33,347	0	33,347	0	0	0.5
Background checks for Motor Vehicle Dealer Licensing Board	1,800	0	1,800	0	0	0.0
Indirect costs adjustments	0	4,688	(3,726)	(962)	0	0.0
Total FY 2009-10 JBC Recommendation	\$43,299,520	\$186,735	\$43,001,574	\$111,211	\$0	186.2
\$ Change from prior year	\$976,510	\$21,375	\$956,097	(\$962)	\$0	2.5
% Change from prior year	2.3%	12.9%	2.3%	(0.9)%	n/a	1.4%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Increase Liquor Enforcement Division staff: The recommendation provides funding for an increase in division staff including 1.0 FTE for a criminal investigator in the Grand Junction office to address slow response to The counties that office serves, and 1.0 FTE for staff in the licensing section to address workload issues that have led to slow issuance of new and renewal liquor licenses.

Digital imaging storage costs for Motor Vehicle Dealer Licensing Board: The recommendation provides funding to image and store a five-year backlog of the documents that need to be stored.

Indirect costs assessment: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

S.B. 08-026 appropriation: The recommendation includes the appropriation authorized by S.B. 08-026 regarding reduced cigarette ignition propensity standards. The appropriation includes 0.5 FTE.

Annualize background checks for The Motor Vehicle Dealer Licensing Board: The recommendation includes funding to conduct background checks on applicants for dealer or sales licenses. Prior procedure had been to pay for these expenses directly out of the cash fund. This recommendation provides that the funds will now be accounted for as an expense of the state.

Indirect costs adjustments: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

State Lottery Division: This division regulates and administers the State Lottery. The State Lottery Division is designated as an enterprise under the provisions of TABOR per Article X, Section 20 of the Colorado Constitution.

State Lottery Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$494,242,360	\$0	\$494,242,360	\$0	\$0	126.0
Recommended Changes from FY 2008-09 Appropriation						
Annualize prior year funding	3,028,290	0	3,028,290	0	0	0.0
Annualize reductions in ticket costs	1,400,000	0	1,400,000		0	0.0
Annualize salary and benefits adjustments	378,646	0	378,646	0	0	0.0
Annualize FY 2008-09 hiring freeze	220,322	0	220,322	0	0	0.0
Indirect costs assessments	(13,229)	0	(13,229)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$499,256,389	\$0	\$499,256,389	\$0	\$0	126.0
\$ Change from prior year	\$5,014,029	\$0	\$5,014,029	\$0	\$0	0.0
% Change from prior year	1.0%	n/a	1.0%	n/a	n/a	0.0%

Issue Descriptions

Annualize prior year funding: The recommendation includes an increase in advertising costs, which annualizes funds added for FY 2008-09.

Annualize reductions in ticket costs: The recommendation annualizes reductions that are related to keeping warehousing of tickets in-house.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in The Executive Director's Office in the year of The award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Indirect cost assessments: Increases indirect costs assessment from the Lottery Fund to more accurately reflect the Lottery's share of departmental and statewide indirect costs.

Department of State

Department Description: The Department of State is responsible for the following activities: (1) administers statutory provisions that pertain to elections; (2) collects, maintains, and provides public access to filings by business and nonprofit entities, such as annual reports, articles of incorporation, and liens; (3) registers lobbyists and monitors the filing of required disclosure reports; (4) regulates charitable gaming laws; (5) regulates notaries public and enforces related laws; (6) implements the provisions of the federal Help America Vote Act (HAVA); (7) administers the initiative and referendum process, including signature verification; (8) manages the statewide IT disaster recovery data facility; and (9) manages the statewide computerized voter registration database.

Summary Table for Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$27,569,394	\$0	\$27,569,394	\$0	\$0	127.1
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Administration	157,385	0	157,385	0	0	0.0
Special Purpose	(5,265,654)	0	(5,265,654)	0	0	2.5
Information Technology Services	(1,819,183)	0	(1,819,183)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$20,641,942	\$0	\$20,641,942	\$0	\$0	129.6
\$ Change from prior year	(\$6,927,452)	\$0	(\$6,927,452)	\$0	\$0	2.5
% Change from prior year	(25.1)%	n/a	(25.1)%	n/a	n/a	2.0%

Recommendation Highlights:

1. Annualizes FY 2008-09 hiring freeze savings and reinstates \$525,000 cash funds spending authority.
2. Reduces the appropriation for the Help America Vote Act program by \$4.6 million cash funds due to the completion of many federal requirements.
3. Reduces the appropriation by \$2.8 million cash funds to annualize prior-year special bills and decision items. The majority of the funds were for one-time information technology projects.
4. Reduces the appropriation by \$364,022 cash funds to eliminate salary survey and performance-based pay for FY 2009-10.

Budget Recommendation Detail by Long Bill Division

Administration: The Administration Division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by sections within this Division, including Business Filings, Elections, and Licensing and Enforcement.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$8,956,696	\$0	\$8,956,696	\$0	\$0	86.5
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	250,000	0	250,000	0	0	0.0
Annualize salary and benefits adjustments	223,767	0	223,767	0	0	0.0
Annualize prior-year supplemental	145,000	0	145,000	0	0	0.0
Eliminate salary survey and performance-based pay	(364,022)	0	(364,022)	0	0	0.0
Leased space	(69,922)	0	(69,922)	0	0	0.0
Centrally-appropriated line items	(27,438)	0	(27,438)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$9,114,081	\$0	\$9,114,081	\$0	\$0	86.5
\$ Change from prior year	\$157,385	\$0	\$157,385	\$0	\$0	0.0
% Change from prior year	1.8%	n/a	1.8%	n/a	n/a	0.0%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior-year supplemental: The recommendation restores \$145,000 to the Legal Services line item. These funds were transferred to the Initiative and Referendum line item within the Special Purpose division for FY 2008-09. The recommendation restores the funds to their initial amount.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary Survey and performance-based pay increases, when provided, are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Leased space: The recommendation reduces leased space expenditures to reflect a decreased usage of the 6th floor of the building at 1700 Broadway.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, administrative law judge services, purchase of services from the state's computer center, the multiuse network, payments to risk management and property funds, and vehicle leases.

Special Purpose: This Division includes funds for the following: (1) Help America Vote Act (HAVA) program; (2) reimbursements for certain local election expenses; and (3) administering the State's initiative and referendum laws.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$9,501,863	\$0	\$9,501,863	\$0	\$0	7.5
Recommended Changes from FY 2008-09 Appropriation						
Federal Elections Assistance Fund	100,000	0	100,000	0	0	0.0
Annualize salary and benefits adjustments	40,091	0	40,091	0	0	0.0
Help America Vote Act	(4,660,745)	0	(4,660,745)	0	0	2.5
Annualize prior-year funding	(450,000)		(450,000)			
Initiative and referendum	(295,000)	0	(295,000)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$4,236,209	\$0	\$4,236,209	\$0	\$0	10.0
\$ Change from prior year	(\$5,265,654)	\$0	(\$5,265,654)	\$0	\$0	2.5
% Change from prior year	(55.4)%	n/a	(55.4)%	n/a	n/a	33.3%

Issue Descriptions

Federal Elections Assistance Fund: The recommendation provides \$100,000 cash funds to the Federal Elections Assistance Fund from the Department of State Cash Fund. The State is eligible to receive additional federal dollars for the Elections Assistance Fund, but it is required to provide a 5.0 percent state fund match. The recommendation for an additional \$100,000 would fulfill this requirement.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Help America Vote Act: The recommendation reduces the appropriation because the Department anticipates that many of HAVA's requirements will be completed by FY 2009-10. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., these funds are continuously appropriated and are included in the Long Bill for informational purposes only.

Annualize prior year funding: The recommendation eliminates one-time funds to distribute voter information cards for the 2008 general election.

Initiative and referendum: The recommendation reduces the funding by \$150,000 because fewer initiative petitions are submitted during an odd-year election. It further reduces the funding by \$145,000 to annualize a one-time increase for FY 2008-09.

Information Technology Services: This Division provides information technology (IT) support for the rest of the Department. It also manages the statewide IT disaster recovery facility (the Enterprise Facility for Readiness/Response/Recovery and Transition Services, or e-FOR³T), and maintains the statewide computerized voter registration database.

Information Technology Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$9,110,835	\$0	\$9,110,835	\$0	\$0	33.1
Recommended Changes from FY 2008-09 Appropriation						
Annualize FY 2008-09 hiring freeze	275,000	0	275,000	0	0	0.0
Increase in leased space costs	108,348	0	108,348	0	0	0.0
Annualize salary and benefits adjustments	97,795	0	97,795	0	0	0.0
Annualize prior year legislation	(1,438,000)	0	(1,438,000)	0	0	0.0
Annualize prior year funding	(862,326)	0	(862,326)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$7,291,652	\$0	\$7,291,652	\$0	\$0	33.1
\$ Change from prior year	(\$1,819,183)	\$0	(\$1,819,183)	\$0	\$0	0.0
% Change from prior year	(20.0)%	n/a	(20.0)%	n/a	n/a	0.0%

Issue Descriptions

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Increase in leased space costs: The recommendation increases funds for the statewide disaster recovery center's leased space, pursuant to its contract.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded for FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize prior year legislation: The recommendation removes one-time funding made available through S.B. 07-259 (\$1,410,000), and H.B. 08-1109 (\$28,000). The funds were for computer programming to improve the public's access to campaign finance information and to modify the online filing system used by charitable organizations.

Annualize prior year funding: The recommendation reduces other one-time funding awarded for FY 2008-09. The funds were used to bring the Department into compliance with the Colorado Information Security Act, and to purchase a new point-of-sale accounting system.

Department of Transportation

Department Description: The Department is responsible for operating and maintaining Colorado's 9,156-mile state highway system under the policy direction of the eleven-member Transportation Commission, and maintaining the statewide aviation system plan. These responsibilities include managing highway construction projects, implementing the state's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Summary Table for Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,301,733,880	\$0	\$852,277,142	\$3,923,580	\$445,533,158	3,350.5
Long Bill Supplemental	(24,122,128)	0	(339,453,093)	0	315,330,965	15.0
FY 2008-09 Adjusted Appropriation	\$1,277,611,752	\$0	\$512,824,049	\$3,923,580	\$760,864,123	3,365.5
Recommended Changes from FY 2008-09 by Long Bill Division						
Administration	(178,974)	0	(224,081)	45,107	0	0.0
Construction, Maintenance, and Operations	(336,864,726)	0	68,600,197	2,012	(405,466,935)	0.0
High Performance Transportation Enterprise	(360,000)	0	(360,000)	0	0	1.0
Gaming Impacts	(10,127,274)	0	(10,127,274)	0	0	0.0
First Time Drunk Driving Offenders Account	1,000,000	0	1,000,000	0	0	0.0
Statewide Bridge Enterprise	42,448,543	0	42,448,543	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$973,529,321	\$0	\$614,161,434	\$3,970,699	\$355,397,188	3,366.5
\$ Change from prior year	(\$304,082,431)	\$0	\$101,337,385	\$47,119	(\$405,466,935)	1.0
% Change from prior year	(23.8)%	n/a	19.8%	1.2%	(53.3)%	0.0%

Recommendation Highlights:

Changes to FY 2008-09 Appropriations:

1. Reflects a decline in State funds largely as a result of the elimination of S.B. 97-1 and H.B. 02-1310 transfers anticipated in the FY 2008-09 Long Bill. The net increase in federal funds is largely the result of funding available as a result of the federal stimulus package.
2. Reflects a net increase in federal funds as a result of the federal stimulus package.

Recommendation for FY 2009-10

1. Reflects a \$101.3 million increase in the Department's estimated share of State funds relative to the FY 2008-09 adjusted appropriation. The increase is largely associated with S.B. 09-108 and includes \$42.5 million for the Statewide Bridge Enterprise (a new line item) created by S.B. 09-108.
2. Includes \$1.0 million for a new line item to fund additional high visibility drunk driving enforcement events pursuant to H.B. 08-1194. The bill provided \$2.0 million to the Construction, Maintenance, and Operating line item in FY 2008-09. The recommendation reflects a \$1.0 million decrease and a relocation to a new line item
3. Reflects a \$405.5 million decrease in the Department's estimated share of federal funds, largely as a result of one-time funding received in FY 2008-09 as a result of the federal stimulus package.
4. Eliminate the appropriation of Gaming Impacts funds for highway construction and maintenance on gaming related roads, a reduction of \$10.1 million from FY 2008-09.

Budget Recommendation Detail by Long Bill Division

Administration: The Administration section consists of the following: the Transportation Commission; the Office of the Executive Director; the Office of Public Information; the Office of Information Technology; the Office of Financial Management and Budget; the Highways Administration; the Division of Human Resources and Administration; the Division of Audit; the Office of Policy; and other centralized administrative costs for the Department.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$27,053,735	\$0	\$25,042,483	\$2,011,252	\$0	223.2
Recommended Changes from FY 2008-09 Appropriation						
Annualize salary and benefits adjustments	621,527	0	621,527	0	0	0.0
Annualize FY 2008-09 hiring freeze	305,263	0	305,263	0	0	0.0
Eliminate salary survey and performance-based pay	(746,002)	0	(746,002)	0	0	0.0
Annualize prior year funding	(159,776)	0	(159,776)	0		0.0
Centrally-appropriated line items	(122,832)	0	(122,832)		0	0.0
Transportation base adjustment	(77,154)	0	(77,154)	0	0	0.0
Fund mix adjustment	0	0	(45,107)	45,107	0	0.0
Total FY 2009-10 JBC Recommendation	\$26,874,761	\$0	\$24,818,402	\$2,056,359	\$0	223.2
\$ Change from prior year	(\$178,974)	\$0	(\$224,081)	\$45,107	\$0	0.0
% Change from prior year	(0.7)%	n/a	(0.9)%	2.2%	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Eliminate salary survey and performance-based pay: The recommendation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Annualize prior year funding: The recommendation includes funding to annualize bills or decision items approved for FY 2008-09.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, and payments to risk management and property funds.

Transportation base adjustment: The recommendation includes adjustments to the organizations within the Administration program line item to reflect changes made by the Department over the past several years. A net increase of \$848,885 cash funds for programmatic operations is more than offset by a reduction in the Administration Division's share of statewide indirect costs pursuant to the Department's indirect cost recovery plan.

Fund mix adjustment: The recommendation reflects an adjustment to allocate funds to the programs within the Administration Division that are funded with reappropriated funds (the Print Shop and the multi-agency fleet vehicle maintenance garage).

Construction, Maintenance, and Operations: This division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance.

Construction, Maintenance, and Operations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,261,992,871	\$0	\$814,547,385	\$1,912,328	\$445,533,158	3,127.3
Long Bill Supplemental	(24,122,128)	0	(339,453,093)	0	315,330,965	15.0
FY 2008-09 Adjusted Appropriation	\$1,237,870,743	\$0	\$475,094,292	\$1,912,328	\$760,864,123	3,142.3
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
State Highway Funds (HUTF)	85,688,278	0	85,688,278	0	0	0.0

Construction, Maintenance, and Operations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Internal cash funds	2,012	0	0	2,012	0	0.0
Federal funds	(405,466,935)	0	0	0	(405,466,935)	0.0
Cash funds (aeronautics, locals, miscellaneous)	(17,088,081)	0	(17,088,081)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$901,006,017	\$0	\$543,694,489	\$1,914,340	\$355,397,188	3,142.3
\$ Change from prior year	(\$336,864,726)	\$0	\$68,600,197	\$2,012	(\$405,466,935)	0.0
% Change from prior year	(27.2)%	n/a	14.4%	0.1%	(53.3)%	0.0%

Issue Descriptions

Long Bill Supplemental: The FY 2008-09 Long Bill Supplemental updates projections of State and federal funds to reflect current Department estimates of revenue available in FY 2008-09. The decline in State funds is largely the result of the elimination of General Fund transfers pursuant to S.B. 97-1 and H.B. 02-1310 that were anticipated in the FY 2008-09 Long Bill. The net increase in federal funds is a result of the federal stimulus legislation (the American Recovery and Reinvestment Act).

State Highway Funds (HUTF): The recommendation represents the Department's forecasted increased share of Highway User Tax Fund (HUTF) revenues per statutory formula. The increased revenues are largely due to the Department's estimates of revenues resulting from S.B. 09-108.

Internal cash funds: The recommendation represents an increase in internal cash fund assessments for the Construction, Operations, and Maintenance section.

Federal funds: This recommendation reflects the Department's estimated apportionment of federal funds in FY 2009-10. The reduction from the FY 2008-09 adjusted appropriation is largely a result of one-time federal stimulus funds received by the Department in FY 2008-09.

Cash funds (aeronautics, locals, miscellaneous): The recommendation reflects the Department's current estimates of revenues available from other revenue sources, including funding for the Division of Aeronautics, funding from local government matches, and miscellaneous cash funds including the Law Enforcement Assistance Fund (LEAF) and Motorcycle Operator Safety Training (MOST) program funds.

High Performance Transportation Enterprise: This section, created in S.B. 09-108, replaces the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to taking over the responsibilities of the former Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes on Interstate 25 and are included for information purposes only.

High Performance Transportation Enterprise	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation (for the Statewide Tolling Enterprise)	\$2,560,000	\$0	\$2,560,000	\$0	\$0	0.0
Recommended Changes from FY 2008-09 Appropriation						
Revenue estimate adjustment	(360,000)	0	(360,000)	0	0	1.0
Total FY 2009-10 JBC Recommendation	\$2,200,000	\$0	\$2,200,000	\$0	\$0	1.0
\$ Change from prior year	(\$360,000)	\$0	(\$360,000)	\$0	\$0	1.0
% Change from prior year	(14.1)%	n/a	(14.1)%	n/a	n/a	n/a

Issue Description

Revenue estimate adjustment: The recommendation reflects the Department's current estimate of revenues to be collected by the High Performance Transportation Enterprise in FY 2009-10, as compared to the estimate for the Statewide Tolling Enterprise in FY 2008-09. The recommendation also reflects the Transportation Commission's approval of 1.0 FTE for the Statewide Tolling Enterprise in FY 2008-09 that was not included in the FY 2008-09 Long Bill and that will now be allocated to the High Performance Transportation Enterprise.

Gaming Impacts: This section contains appropriations for Gaming Impacts. Pursuant to Section 12-47.1-701, C.R.S., the Department may annually request funds from the 50 percent share of the Limited Gaming Fund year-end balance that is transferred to the General Fund, in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities.

Gaming Impacts	Total Funds	General Fund	Cash Funds	Reappropriate d Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$10,127,274	\$0	\$10,127,274	\$0	\$0	0.0
Recommended Changes from FY 2008-09 Appropriation						
Gaming Impacts	(10,127,274)	0	(10,127,274)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$10,127,274)	\$0	(\$10,127,274)	\$0	\$0	0.0
% Change from prior year	(100.0)%	n/a	(100.0)%	n/a	n/a	n/a

Issue Description

Gaming Impacts: The recommendation eliminates appropriations for gaming impacts-related highway construction and maintenance for FY 2009-10.

First Time Drunk Driving Offender Account (New Section): The recommended section would provide funding for increased high visibility drunk driving law enforcement action undertaken pursuant to H.B. 08-1194. The Department requested creation of the new line item because: 1) the program was not appropriate for inclusion in either the legislatively appropriated Administration line item; and 2) the program requires

annual appropriation by the General Assembly and therefore should not be included in the continuously appropriated Construction, Maintenance, and Operations line item.

First Time Drunk Driving Offender Account	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Recommended Changes from FY 2008-09 Appropriation						
First Time Drunk Driving Offender Account	1,000,000	0	1,000,000	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
\$ Change from prior year	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
% Change from prior year	n/a	n/a	n/a	n/a	n/a	n/a

Issue Description

First Time Drunk Driving Offender Account: The recommendation includes \$1.0 million for additional high visibility drunk driving enforcement actions in FY 2009-10. House Bill 08-1194 provided \$2.0 million for this purpose to the Construction, Maintenance, and Operations line item. Thus, the recommendation represents a \$1.0 million reduction from the FY 2008-09 appropriation but is the first appropriation to the newly created line item.

Statewide Bridge Enterprise: This section was created by S.B. 09-108 and is funded through the bridge safety surcharge created in S.B. 09-108. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and either structurally deficient or functionally. The enterprise is funded through the bridge safety surcharge created in S.B. 09-108 and has the authority to issue revenue bonds and borrow funds from the Transportation Commission. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included for information purposes only.

Statewide Bridge Enterprise	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Recommended Changes from FY 2008-09 Appropriation						
Statewide Bridge Enterprise	42,448,543	0	42,448,543	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$42,448,543	\$0	\$42,448,543	\$0	\$0	0.0
\$ Change from prior year	\$42,448,543	\$0	\$42,448,543	\$0	\$0	0.0
% Change from prior year	n/a	n/a	n/a	n/a	n/a	n/a

Issue Description

Statewide Bridge Enterprise: The recommendation reflects the Department's estimate of revenues for the Statewide Bridge Enterprise in FY 2009-10.

Department of the Treasury

Department Description: The Department has the following duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; and (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.

Summary Table for Department of the Treasury						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$389,434,258	\$86,966,576	\$302,467,682	\$0	\$0	29.5
Recommended Changes from FY 2008-09 by Long Bill Division						
Administration	(25,297)	167,145	(192,442)	0	0	0.0
Unclaimed Property Program	123,756	0	123,756	0	0	2.0
Special Purpose	(3,491,186)	5,200,000	(8,691,186)	0	0	0.0
Total FY 2009-10 Long Bill Recommendation	\$386,041,531	\$92,333,721	\$293,707,810	\$0	\$0	31.5
Senior citizen and disabled veterans property tax exemption	(91,400,000)	(91,400,000)	0	0	0	0.0
Total FY 2008-09 JBC Recommendation	\$294,641,531	\$933,721	\$293,707,810	\$0	\$0	31.5
\$ Change from prior year	(\$94,792,727)	(\$86,032,855)	(\$8,759,872)	\$0	\$0	2.0
% Change from prior year	(24.3)%	(98.9)%	(2.9)%	n/a	n/a	6.8%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

Recommendation Highlights:

1. Reflects a \$5.2 million General Fund¹ increase, compared to the FY 2008-09 appropriation, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2007 due to the senior citizen and disabled veteran property tax exemption.
2. Provides for the conversion of two temporary employees into 2.0 FTE in the Unclaimed Property Program.
3. Reflects a \$1.9 million cash funds increase in the projected disbursements of Highway Users Tax Fund revenues to counties and municipalities.

¹ This amount is not subject to the six percent statutory limit on General Fund appropriations.

4. Reflects a 10.6 million decrease in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado.

JBC Sponsored Budget Legislation Summary

Senior citizen and disabled property tax exemption: This bill suspends, for two years (FY 2009-10, and FY 2010-11), the senior citizens and disabled veterans property tax exemption. The suspension will reduce General Fund expenditures by \$91.4 million in FY 2009-10.

Budget Recommendation Detail by Long Bill Division

Administration: This office is responsible for the operation and oversight of the Department. The Division provides accounting, cash management, and investment services for the State.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,901,860	\$766,576	\$1,135,284	\$0	\$0	16.0
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Annualize salary and benefits adjustments	65,248	65,248	0	0	0	0.0
Centrally-appropriated line items	20,765	8,118	12,647	0	0	0.0
Annualize funding mix adjustments	0	176,634	(176,634)	0	0	0.0
Partial refinance of personal services to Unclaimed Property Trust Fund	0	(65,468)	65,468	0	0	0.0
Annualize prior year funding	0	62,670	(62,670)	0	0	0.0
Eliminate salary survey and performance-based pay	(96,501)	(65,248)	(31,253)	0	0	0.0
Other	(14,809)	(14,809)	0	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$1,876,563	\$933,721	\$942,842	\$0	\$0	16.0
\$ Change from prior year	(\$25,297)	\$167,145	(\$192,442)	\$0	\$0	0.0
% Change from prior year	(1.3)%	21.8%	(17.0)%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-base pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Centrally-appropriated line items: The recommendation includes adjustments to central-appropriated line items for state contributions to health, life, and dental benefits, shift differential, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation and payment to risk management and property funds, legal services, purchase of services from the computer center, and capitol complex leased space.

Annualize funding mix adjustments: The recommendation restores the funding mix adjustment from the FY 2008-09 supplemental. The line will be adjusted through a supplemental in FY 2009-10 to adjust the appropriation to the actual amount of transaction fees that are collected.

Partial refinance of personal services to Unclaimed Property Trust Fund: The recommendation includes a decrease in General Fund and a subsequent increase in cash funds from the Unclaimed Property Trust Fund to properly account for the time that the Treasurer, Deputy Treasurer, and an Accounting Technician work either supervising or assisting the Unclaimed Property Program division.

Annualize prior year funding: The recommendation includes an increase in General Fund and a decrease in cash funds from the Unclaimed Property Trust Fund to restore funding related to a one-time refinance of personal services.

Eliminate salary survey and performance-based pay awards: The recommendation does not include appropriations for salary survey and performance-based pay awards in FY 2009-10. Salary survey and performance-based pay awards, when provided, are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not recommended for FY 2009-10.

Other: The recommendation includes an overall decrease for a number of smaller budget reductions, including reductions to cyber security, the publications budget and the web transparency initiative. It also includes an increase for the increase in the Treasurer's due for membership in the National Association of State Treasurers.

Unclaimed Property Program: Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest help support the CoverColorado health insurance program. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The State uses the interest earned by this fund to promote tourism and the State Fair. The fund source for this section is the Unclaimed Property Trust Fund.

Unclaimed Property Program	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$1,832,517	\$0	\$1,832,517	\$0	\$0	13.5
<i>Recommended Changes from FY 2008-09 Appropriation</i>						
Promotional increase	49,704	0	49,704	0	0	0.0
Annualize salary and benefits adjustments	29,545	0	29,545	0	0	0.0
Annualize FY 2008-09 hiring freeze	24,914	0	24,914	0	0	0.0
Convert temporary positions to FTE	14,245	0	14,245	0	0	2.0
Other	5,348	0	5,348	0	0	0.0

Unclaimed Property Program	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2009-10 JBC Recommendation	\$1,956,273	\$0	\$1,956,273	\$0	\$0	15.5
\$ Change from prior year	\$123,756	\$0	\$123,756	\$0	\$0	2.0
% Change from prior year	6.8%	n/a	6.8%	n/a	n/a	14.8%

Issue Descriptions

Promotional Increase: The recommendation includes \$49,704 to increase the promotion of the "Great Colorado Payback" program to increase advertising of the program to increase the amount of property returned to the rightful owners of property held by the State.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

Annualize FY 2008-09 hiring freeze: The recommendation restores one-time reductions associated with the FY 2008-09 hiring freeze.

Conversion of temporary employees to FTE: The recommendation includes an increase for converting temporary employees into 2.0 FTE.

Other: The recommendation reflects an increase based on a statewide decision item regarding mail and a lease escalator for the leased space for the Unclaimed Property Program.

Special Purpose: This section reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property taxes lost due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the Fire and Police Pension Association (FPPA) for "old hire" fire and police pension plans; and (4) allocations of Highway Users Tax Fund (HUTF) revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen and disabled veteran property tax exemption and FPPA are not subject to the six percent statutory limit on General Fund appropriations.

Special Purpose	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation	\$385,699,881	\$86,200,000	\$299,499,881	\$0	\$0	0.0
Recommended Changes from FY 2008-09 Appropriation						
Senior citizen and disabled veterans property tax exemption	5,200,000	5,200,000	0	0	0	0.0
HUTF disbursements	1,915,995	0	1,915,995	0	0	0.0
Transfer to CoverColorado	(10,607,181)	0	(10,607,181)	0	0	0.0
Total FY 2009-10 JBC Recommendation	\$382,208,695	\$91,400,000	\$290,808,695	\$0	\$0	0.0

Special Purpose	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	(\$3,491,186)	\$5,200,000	(\$8,691,186)	\$0	\$0	0.0
% Change from prior year	(0.9)%	6.0%	(2.9)%	n/a	n/a	n/a

/1 Includes General Fund Exempt amounts.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	\$111,521,079	\$86,200,000	\$0
Property tax exemption	5,200,000	5,200,000	0
Total FY 2009-10 JBC Long Bill Recommendation	\$116,721,079	\$91,400,000	\$25,321,079

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), C.R.S.). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2008-09 and FY 2009-10 from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), C.R.S.

Issue Descriptions

Senior citizen and disabled veterans property tax exemption: The recommendation reflects a \$5.2 million increase, *compared to the FY 2008-09 Long Bill appropriation*, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2007 pursuant to Article X, Section 3.5, of the Colorado Constitution. [Please note that based on revised projections for FY 2008-09 (which are not reflected in the FY 2008-09 appropriation), the foregone property tax revenues are anticipated to increase from \$76.6 million in FY 2008-09 to \$78.6 million in FY 2009-10 (2.6 percent).]

Highway Users Tax Fund (HUTF) disbursements: The recommendation reflects a \$1.9 million increase in the projected disbursements of HUTF revenues to counties and municipalities, *compared to amounts reflected in the FY 2008-09 Long Bill*. [Please note that based on revised projections for FY 2008-09 (which are not reflected in FY 2008-09 appropriations), these disbursements are anticipated to increase from \$260.7 million in FY 2008-09 to \$262.7 million in FY 2009-10 (0.8 percent).]

Transfer to CoverColorado: The recommendation reflects a \$10.6 million decrease in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, compared to the amount reflected in the FY 2008-09 Long Bill. The recommended amount is based on projections of program costs as well as other sources of revenues available to CoverColorado. The decrease is largely the result of the passage of H.B. 08-1390 by the General Assembly that provided for insurance carrier assessments to help fund CoverColorado.

CAPITAL CONSTRUCTION

Appropriations from the Capital Construction Fund						
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	Cumulative
Prior Appropriations	\$99,223,579	\$138,537,539	\$274,549,088	\$186,438,360	\$2,754,333	\$701,502,899
Recommended Changes						
Frozen Projects (Supplemental S.B. 09-280)	(187,838)	(2,878,672)	(16,219,803)	(62,836,327)	0	(82,122,640)
Higher Ed FML Revenues Fund (Supplemental S.B. 09-280)	0	0	0	26,649,232	0	26,649,232
Long Bill	0	0	0	0	50,659,524	50,659,524
JBC Recommendation	\$99,035,741	\$135,658,867	\$258,329,285	\$150,251,265	\$53,413,857	\$696,689,015
\$ Change	(\$187,838)	(\$2,878,672)	(\$16,219,803)	(\$36,187,095)	\$50,659,524	(\$4,813,884)
% Change	-0.2%	-2.1%	-5.9%	-19.4%	N.A.	-0.7%

Recommendation Highlights:

1. Reduces \$82.1 million of prior year appropriations for projects that are in a planning or design phase and not yet under construction, and not related to life safety. This change is made through S.B. 09-280.
2. Provides \$26.6 million spending authority from the Capital Construction Fund to the Higher Education Federal Mineral Lease Revenues Fund to supplement federal mineral lease revenues and make lease purchase payments for academic buildings. This change is made through S.B. 09-280.
3. Provide \$52.6 million spending authority from the Capital Construction Fund in FY 2009-10 for:
 - a. Statutory appropriations for sentencing bills
 - b. Lease purchase payments
 - c. Level I (life safety) Controlled Maintenance
 - d. Colorado Integrated Tax Architecture
 - e. Colorado State Penitentiary II, Equipment and Furnishings
 - f. Fort Lupton Readiness Center Construction
4. Transfers \$28.9 million from capital construction related funds to the General Fund. This change is made through S.B. 09-279.

The table on the following page summarizes the state funds available for capital construction, the recommended expenditures, and the recommended transfer to the General Fund.

Recommended Transfers to the General Fund					
	State Funds	Fund Source			
		Capital Construction Fund	Corrections Expansion Reserve	Controlled Maintenance Trust Fund	Fitzsimons Trust Fund
Uncommitted balance from prior year	\$3,512,910	\$206,000	\$2,503,300	\$803,610	\$0
Statutory General Fund transfers - sentencing bills	1,976,068	1,976,068	0	0	0
Forfeited bonds pursuant to H.B. 07-1040*	778,265	778,265	0	0	0
1/3 of FY 2007-08 excess General Fund reserve	14,482,333	14,482,333	0	0	0
Interest (projection of FY 2008-09 earnings)	8,100,000	8,100,000	0	0	0
Tobacco distribution	8,000,000	0	0	0	8,000,000
Reversions - projects closing at the end of FY 08-09	452,259	452,259	0	0	0
Frozen projects	<u>85,409,840</u>	<u>82,122,640</u>	<u>3,287,200</u>	<u>0</u>	<u>0</u>
Funds Available for Construction	\$122,711,675	\$108,117,565	\$5,790,500	\$803,610	\$8,000,000
Statutory appropriations for sentencing bills	0	(1,976,068)	1,976,068	0	0
Statutory appropriation for H.B. 07-1040*	0	(778,265)	778,265		
Lease Purchase of Academic Facilities at Fitzsimons	(13,142,063)	(5,142,063)	0	0	(8,000,000)
Lease Purchase of Colorado State Penitentiary II	(13,942,350)	(8,175,782)	(5,766,568)	0	0
Higher Education Federal Mineral Lease Revenues Fund (lease purchase of various academic buildings) <i>this is a FY 08-09 change</i>	(26,649,232)	(26,649,232)	0	0	0
Level I (life safety) Controlled Maintenance	(24,235,321)	(24,235,321)	0	0	0
Colorado Integrated Tax Architecture	(7,444,907)	(7,444,907)	0	0	0
Colorado State Penitentiary II, Equipment and Furnishings	(2,000,000)	0	(2,000,000)	0	0
Fort Lupton Readiness Center Construction	<u>(5,661,451)</u>	<u>(5,661,451)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Recommended Expenditures	(\$93,075,324)	(\$80,063,089)	(\$5,012,235)	\$0	(\$8,000,000)
Recommended Transfers to the General Fund	\$28,858,086	\$28,054,476	\$0	\$803,610	\$0

* House Bill 07-1040 provided that if a defendant of a felony or class 1 or class 2 misdemeanor is illegally in the country, any bond posted by the defendant is forfeited and credited to the Capital Construction Fund for appropriation to the Corrections Expansion Reserve Fund. Actual revenues to date have been negligible. The executive branch has interpreted the appropriations pursuant to H.B. 07-1040 to be contingent on sufficient revenues. Thus, the majority of the revenue to and obligations from the Capital Construction Fund associated with H.B. 07-1040 are not likely to take effect.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriations & Transfers	\$24,914,345	\$15,914,345	\$9,000,000
Capital Construction transfer bill	<u>0</u>	<u>0</u>	<u>0</u>
FY 2008-09 Adjusted Appropriations & Transfers	\$24,914,345	\$15,914,345	\$9,000,000
Statutory transfers for sentencing bills	\$1,976,068	\$1,976,068	\$0
Capital Construction transfer bill	<u>0</u>	<u>0</u>	<u>0</u>
Total FY 2008-09 Appropriations & Transfers	\$1,976,068	\$1,976,068	\$0

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C, which allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amounts of General Fund Exempt that the Joint Budget Committee recommends be appropriated and transferred from the General Fund Exempt Account for strategic transportation projects pursuant to Section 24-77-103.6 (2) (d), Colorado Revised Statutes.

Frozen Projects: To address the projected shortfall in General Fund revenues, the Governor instructed state agencies to stop work on previously funded construction projects that were in a planning or design phase and not related to life/safety. The recommendation reduces appropriations for these projects through a supplemental bill, S.B. 09-280, making the money available for transfer from the Capital Construction Fund to the General Fund. A separate cash fund transfer bill, S.B. 09-279, provides \$28.8 million to the General Fund from capital construction related funds.

The table on the next page lists the frozen projects by state agency, and provides a key to the section, part, subsection, and sub-subsection where each project appears in S.B. 09-280.

Higher Education Federal Mineral Lease Revenues Fund: Senate Bill 08-218 changed the allocation of federal mineral lease revenues and, among other things, provided money to a newly created Higher Education Federal Mineral Lease Revenues Fund (Revenues Fund) to support higher education capital construction. Senate Bill 08-233 authorized moneys in the Revenues Fund to be used for lease purchase agreements for academic facilities.

The March 2009 Legislative Council Staff forecast indicates there will not be enough federal mineral lease money flowing through the S.B. 08-218 allocation formula to the Revenues Fund to support the cost of the lease purchase agreements. The recommendation provides \$26.6 million from the Capital Construction Fund to the Revenues Fund to address the projected shortfall.

This change is accomplished through S.B. 09-280 and is listed in the table on the following page.

Capital Construction Supplemental Adjustments Contained in S.B. 09-280

AGENCY	PROJECT	TOTAL	Capital	Cash	Federal	COMMENT	FY	SEC	Part	Sub	sub
Agriculture	Insectary Upgrade, Palisade	(\$483,770)	(\$483,770)			2nd Freeze	FY 07-08	3	I	(1)	
Agriculture	State Fair, Repair/Replace Infrastructure at Fairgrounds	(1,502,276)	(1,502,276)			2nd Freeze	FY 08-09	4	I	(1)	
Corrections	Delta Correctional Center, Wastewater Treatment/Ammonia Compliance	(241,856)	(241,856)			2nd Freeze	FY 07-08	3	II	(1)	
Corrections	Delta Correctional Center, Wastewater Treatment/Ammonia Compliance	(1,995,840)	(1,995,840)			2nd Freeze	FY 08-09	4	II	(1)	
Corrections	Fort Lyon Acquisition and Renovation	(10,449,694)	(7,162,494)	(3,287,200)		1st Freeze	FY 08-09	4	II	(2)	
Corrections	Ft. Lyon Acquisition and Conversion Phase I and Phase II Projects	(59,142)	(59,142)			2nd Freeze	FY 05-06	1	II	(2)	
Corrections	Lock/Door Control Replacement, Women's Correctional Facility	(419,601)	(419,601)			2nd Freeze	FY 07-08	3	II	(1)	
Corrections	Rifle Correctional Facility, Replace Water System	(739,026)	(739,026)			2nd Freeze	FY 07-08	3	II	(1)	
Corrections	Rifle Correctional Facility, Replace Water System	(896,602)	(896,602)			2nd Freeze	FY 08-09	4	II	(1)	
Arapahoe Community College	Art and Design Center, Replace HVAC Equipment	(629,741)	(629,741)			2nd Freeze	FY 08-09	4	IV	(12)	(A)
Arapahoe Community College	Structural/Exterior Concrete Repair	(205,199)	(205,199)			2nd Freeze	FY 07-08	3	IV	(12)	(A)
Colorado Community Colleges at Lowry	Building 758, Upgrade Mechanical System Components and Replace Roof	(600,473)	(600,473)			2nd Freeze	FY 07-08	3	IV	(23)	(A)
Colorado Community Colleges at Lowry	Building 967, HVAC Upgrades	(328,522)	(328,522)			2nd Freeze	FY 07-08	3	IV	(23)	(A)
Colorado Historical Society	Grant Humphreys Mansion Facilities Improvements	(242,024)	(242,024)			2nd Freeze	FY 07-08	3	IV	(25)	(A)
Colorado Historical Society	Museum Relocation Logistics	(12,521)	(12,521)			2nd Freeze	FY 07-08	3	IV	(25)	(B)
Colorado Historical Society	Ute Indian Museum	(65,825)	(65,825)			2nd Freeze	FY 07-08	3	IV	(25)	(B)
Colorado Historical Society	Ute Indian Museum	(2,098,598)	(2,098,598)			2nd Freeze	FY 08-09	4	IV	(20)	(B)
Colorado Northwestern Community College	Craig Campus, Academic Building	(1,990,056)	(1,990,056)			1st Freeze	FY 08-09	4	IV	(13)	(B)
Colorado Northwestern Community College	Rangely Campus, Tunnel Repair and Safety Upgrade	(608,286)	(608,286)			2nd Freeze	FY 07-08	3	IV	(13)	(A)
Colorado School of Mines	Brown Hall Addition	(2,000,000)	(2,000,000)			1st Freeze	FY 08-09	4	IV	(10)	(B)
Colorado School of Mines	Brown Hall Addition	2,000,000		2,000,000		Cash	FY 08-09	4	IV	(10)	(B)
Colorado School of Mines	Brown Hall Replace HVAC System	(715,114)	(715,114)			2nd Freeze	FY 07-08	3	IV	(10)	(A)
Colorado School of Mines	Hall of Justice Demolition	(1,271,406)	(1,271,406)			2nd Freeze	FY 07-08	3	IV	(10)	(B)
Colorado School of Mines	Hall of Justice Demolition and Related Classroom Improvements	(3,516,697)	(3,516,697)			1st Freeze	FY 08-09	4	IV	(10)	(B)
Colorado School of Mines	Replace Failed Corroded Piping	(410,730)	(410,730)			2nd Freeze	FY 07-08	3	IV	(10)	(A)
Colorado State University at Fort Collins	Clark Building Revitalization	(2,000,000)	(2,000,000)			1st Freeze	FY 08-09	4	IV	(4)	(B)
Colorado State University at Fort Collins	Colorado State Forest Service, Banded Peak CATSPA W Ranch Conservation Easement	0		0		name change	FY 08-09	4	IV	(4)	(B)
Colorado State University at Fort Collins	Rockwell Hall Business Expansion										
Colorado State University at Fort Collins	Student Recreation Center Renovation	3,400,000		3,400,000		Cash	FY 07-08	3	IV	(4)	(B)
Colorado State University at Fort Collins		2,377,303		2,377,303		deferred maintenance	FY 08-09	4	IV	(4)	(B)
Colorado State University at Pueblo	Academic Resources Center Remodel	(2,797,436)	(2,797,436)			1st Freeze	FY 08-09	4	IV	(5)	(A)
Colorado State University at Pueblo	Campus Structural Analysis	(197,582)	(197,582)			2nd Freeze	FY 06-07	2	IV	(7)	(A)
Colorado State University at Pueblo	Replace Campus Water Lines	(262,557)	(262,557)			2nd Freeze	FY 07-08	3	IV	(5)	(A)
Fort Lewis College	Central Campus Infrastructure Improvements	(366,581)	(366,581)			2nd Freeze	FY 07-08	3	IV	(6)	(A)
Fort Lewis College	Improvements to Electrical Distribution	(728,153)	(728,153)			2nd Freeze	FY 07-08	3	IV	(6)	(A)
Lamar Community College	Bowman/Trustees Buildings, Replace Windows/Repair Exterior Wall	(664,940)	(664,940)			2nd Freeze	FY 07-08	3	IV	(15)	(A)
Pikes Peak Community College	Remove/Replace "D" Parking Lot Stairs and Scarify/Riprap Hillside	(250,498)	(250,498)			2nd Freeze	FY 07-08	3	IV	(19)	(A)
Pueblo Community College	Academic Building, Learning Center	(2,971,482)	(2,971,482)			1st Freeze	FY 08-09	4	IV	(17)	(A)
University of Colorado at Boulder	Andrews Hall, Smith Hall, and Buckingham Hall Renovations	16,980,600		16,980,600		Cash	FY 08-09	4	IV	(7)	(B)

Capital Construction Supplemental Adjustments Contained in S.B. 09-280

AGENCY	PROJECT	TOTAL	Capital	Cash	Federal	COMMENT	FY	SEC	Part	Sub	sub
University of Colorado at Boulder	Community Dining and Student Center	18,837,404		18,837,404		Expand by 45,369 GSF	FY 08-09	4	IV	(7)	(B)
University of Colorado at Boulder	Ekeley Sciences Middle Wing Renovation	(1,366,415)	(1,366,415)			2nd Freeze	FY 07-08	3	IV	(7)	(B)
University of Colorado at Boulder	Ekeley Sciences Middle Wing Renovation	(11,559,536)	(11,559,536)			1st Freeze	FY 08-09	4	IV	(7)	(B)
University of Colorado at Boulder	Fire Safety Upgrades	(100,000)	(100,000)			2nd Freeze	FY 07-08	3	IV	(7)	(A)
University of Colorado at Boulder	Ketchum Arts & Sciences Building Capital Renewal, Ph 1 of 2	(333,289)	(333,289)			2nd Freeze	FY 07-08	3	IV	(7)	(B)
University of Colorado at Boulder	Ketchum Arts and Sciences Building	(8,435,946)	(8,435,946)			1st Freeze	FY 08-09	4	IV	(7)	(B)
University of Colorado at Boulder	Main Campus Tunnel Security Projects	(96,018)	(96,018)			2nd Freeze	FY 07-08	3	IV	(7)	(A)
University of Colorado at Boulder	Repair/Replace Building Electrical Services	(471,600)	(471,600)			2nd Freeze	FY 07-08	3	IV	(7)	(A)
University of Colorado at Boulder	Storm/Sanitary Sewer Cross Connection	(128,696)	(128,696)			2nd Freeze	FY 05-06	1	IV	(6)	(A)
University of Colorado at Boulder	Upgrade Building Transformers/Electrical Services	(494,085)	(494,085)			2nd Freeze	FY 07-08	3	IV	(7)	(A)
University of Colorado at Boulder	Upgrade Fire Safety	(418,063)	(418,063)			2nd Freeze	FY 08-09	4	IV	(7)	(A)
University of Colorado at Colorado Springs	Events Center	1,926,258		1,926,258		Cash	FY 08-09	4	IV	(8)	(B)
University of Colorado at Colorado Springs	Repair/Replace University Hall Rooftop Units, Ph 1 of 2	(380,998)	(380,998)			2nd Freeze	FY 08-09	4	IV	(8)	(A)
University of Colorado at Denver and Health Sciences Center	Business School Purchase and Renovation of 1475 Lawrence Street	0		0		letternote	FY 08-09	4	IV	(9)	(B)
University of Northern Colorado	Butler Hancock Interior Renovation	(3,000,000)	(3,000,000)			1st Freeze	FY 08-09	4	IV	(11)	(A)
Western State College	New College Union Building	2,287,500		2,287,500		inflation	FY 08-09	4	IV	(3)	(B)
Child Care - Human Services	Replace Child Care Automated Tracking System	6,206,119			6,206,119	Federal Funds	FY 07-08	3	V	(1)	(A)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Colorado Mental Health Institute at Fort Logan Mental Health Institute, Replace Fire Hydrant and Water Mains	(652,720)	(652,720)			2nd Freeze	FY 07-08	3	V	(2)	(A)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Colorado Mental Health Institute at Fort Logan, F Cottage Air Conditioning	(1,806,035)	(1,806,035)			1st Freeze	FY 08-09	4	V	(1)	(B)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Colorado Mental Health Institute at Fort Logan, Repair/Replace Roofs	(69,444)	(69,444)			2nd Freeze	FY 07-08	3	V	(2)	(A)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Colorado Mental Health Institute at Fort Logan, Replace Deteriorated Campus Infrastructure System	(1,182,351)	(1,182,351)			2nd Freeze	FY 06-07	2	V	(2)	(A)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Colorado Mental Health Institutes at Fort Logan and Pueblo, Suicide Risk Assessment/Prevention	(138,940)	(138,940)			2nd Freeze	FY 07-08	3	V	(2)	(B)
Mental Health and Alcohol and Drug Abuse Services - Human Services	Suicide Risk Mitigation	(1,941,962)	(1,941,962)			2nd Freeze	FY 08-09	4	V	(1)	(B)
Services for People with Disabilities - Human Services	Colorado State Veterans Center at Homelake, Domiciliary Renovation	714,286		250,000	464,286	Cash	FY 07-08	3	V	(3)	(B)
Services for People with Disabilities - Human Services	Heat Plant Repair and Equipment Replacement, Grand Junction Regional Center	(667,122)	(667,122)			2nd Freeze	FY 07-08	3	V	(3)	(A)
Youth Corrections, Division of - Human Services	Adams County Youth Services Center Renovation, Program Plan	(276)	(276)			2nd Freeze	FY 07-08	3	V	(4)	(A)
Military and Veterans Affairs	Building System Revitalization	(415,805)	(415,805)			2nd Freeze	FY 06-07	2	VIII	(1)	
Military and Veterans Affairs	Building System Revitalization	(938,000)	(938,000)			2nd Freeze	FY 07-08	3	VII	(1)	
Military and Veterans Affairs	Grand Junction Readiness Center Construction	(3,682,712)	(3,682,712)			1st Freeze	FY 08-09	4	VII	(2)	
Wildlife	Small Maintenance and Improvement Projects	0		0		letternote	FY 08-09	4	VIII	(2)	(A)
Personnel and Administration	Annex and Centennial Buildings, Repair Passenger and Freight Elevators	(975,295)	(975,295)			2nd Freeze	FY 07-08	3	IX	(1)	
Personnel and Administration	Camp George West, Demolish Building 37	(99,474)	(99,474)			2nd Freeze	FY 07-08	3	IX	(1)	
Personnel and Administration	Capitol Complex Master Plan	(1,034,778)	(1,034,778)			2nd Freeze	FY 06-07	2	X	(3)	
Personnel and Administration	Centennial Building, Variable Air Volume Boxes Replacement	(976,073)	(976,073)			2nd Freeze	FY 07-08	3	IX	(1)	
Personnel and Administration	Power Plant Building, Replace Roof	(48,156)	(48,156)			2nd Freeze	FY 06-07	2	X	(2)	
Personnel and Administration	State Capitol, Repair Exterior Stairs at East Entrance	(400,000)	(400,000)			2nd Freeze	FY 08-09	4	IX	(1)	

Capital Construction Supplemental Adjustments Contained in S.B. 09-280

AGENCY	PROJECT	TOTAL	Capital	Cash	Federal	COMMENT	FY	SEC	Part	Sub	sub
State Capitol Building	State Capitol, Upgrade Security Lighting and Replace Controls	(432,134)	(432,134)			2nd Freeze	FY 08-09	4	IX	(1)	
Public Safety	Alamosa Troop Office, Regional Communications Center	(1,217,719)	(1,217,719)			2nd Freeze	FY 08-09	4	XI	(1)	
Revenue	Document Management and Facial Recognition Systems Upgrade	3,400,120		1,858,000	1,542,120	Cash	FY 08-09	4	XII	(1)	
Revenue	Fire Suppression System	(49,240)	(49,240)			2nd Freeze	FY 07-08	3	XII	(2)	
Revenue	Fort Morgan, Port of Entry, Eastbound Lane and Scale Pit Repair	(174,730)	(174,730)			2nd Freeze	FY 07-08	3	XII	(2)	
Revenue	Lottery Back Office System Migration	2,415,000		2,415,000		Cash	FY 08-09	4	XII	(1)	
Treasury	Higher Education Federal Mineral Lease Revenues Fund	26,649,232	26,649,232			Lease Purchase	FY 08-09	4	XIV	(1)	
TOTALS - All Years		\$1,783,982	(\$55,473,408)	\$49,044,865	\$8,212,525						
	FY 05-06	(187,838)	(187,838)	0	0						
	FY 06-07	(2,878,672)	(2,878,672)	0	0						
	FY 07-08	(5,899,398)	(16,219,803)	3,650,000	6,670,405						
	FY 08-09	10,749,890	(36,187,095)	45,394,865	1,542,120						
Frozen Projects		(\$85,409,840)	(\$82,122,640)	(\$3,287,200)	\$0						
	1st Freeze	(54,209,594)	(50,922,394)	(3,287,200)	0						
	2nd Freeze	(31,200,246)	(31,200,246)	0	0						
Other		\$87,193,822	\$26,649,232	\$52,332,065	\$8,212,525						

APPENDIX A

Historically, Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer contains requests for information.

The included draft letters are the 2009 Requests for Information that the Joint Budget Committee proposes to send to the Executive and Judicial Branches, the Attorney General, the Secretary of State and the State Treasurer. The Joint Budget Committee has included these as an appendix to the Long Bill Narrative so that members of the General Assembly have an opportunity to review them.

STATE OF COLORADO

SENATORS

Moe Keller, Chairman
Abel Tapia
Al White

REPRESENTATIVES

Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

DRAFT

April 6, 2009

Hon. Bill Ritter, Governor
136 State Capitol
Denver, CO 80203-1792

Dear Governor Ritter:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the state departments will comply with these requests to the fullest extent possible.

Please notify us by May 1st if you do not intend to comply with any requests.

Sincerely,

Senator Moe Keller
Chairman

cc:

Executive Agency Directors
Todd Saliman, Office of State Planning and Budgeting
John Ziegler, Joint Budget Committee Staff

Legislative Requests for Information from the Executive Branch, Fy 2009-10

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2009, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2009-10, and that are not otherwise included in the Long Bill.
2. **Department of Corrections, Totals; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, and Division of Youth Corrections; Department of Public Safety, Division of Criminal Justice** -- It is the intent of the Joint Budget Committee that the impacts of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007, be analyzed using contract funding appropriated for this purpose to the Department of Public Safety, Division of Criminal Justice. The evaluation should specifically address: the Short-term Intensive Residential Remediation Treatment Program (STIRRT) in the Department of Human Services, Diversion Community Corrections Beds in the Department of Public Safety, Mental Health Beds in the Department of Public Safety, and any new programs or services created or implemented through additional budgetary flexibility provided to the Division of Youth Corrections in the Department of Human Services. It is the intent of the General Assembly that the contractor compare the outcomes for offenders who participate in these programs with outcomes for offenders in predetermined control groups. The Department of Public Safety, Division of Criminal Justice, in conjunction with other state departments, is requested to submit an annual progress report to the Joint Budget Committee by November 1 of each year. This report is requested to include a summary of the number of offenders served by each program and a summary of the program evaluation techniques that will be used to examine the effectiveness of each program. The Department of Public Safety, Division of Criminal Justice, is requested to submit a final report to the Joint Budget Committee on or before November 1, 2012. The final report should specifically address whether any of the interventions funded were cost-effective and, based on this, recommendations for continuation, modification or elimination of each program.
3. **Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Colorado Vocational Act Distributions pursuant to Section 23-8-102, C.R.S.** -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the

distribution of state funds available for each categorical program, excluding grant programs. The information for special education - children with disabilities, English language proficiency programs, public school transportation, Colorado Vocational Act distributions, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2008-09 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2007-08 and actual district expenditures for each program. The information for special education services - gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2007-08 and actual district expenditures.

4. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a an annual report to the Joint Budget Committee by November 1, 2009 concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2008-09. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.
5. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Division of Human Resources, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1) (d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2009. This report should include, by

line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2008-09. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

6. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs; and Department of Human Services, Division of Child Welfare, Mental Health and Alcohol and Drug Abuse Services, and Division of Youth Corrections** - The Departments are requested to provide the following data by October 1, 2009, by county, for the state's ten largest counties, using the most recent actual data consistently available:

- (1) county child welfare expenditures, including both child welfare block and core services expenditures;
- (2) youth corrections expenditures;
- (3) mental health capitation payments to BHOs for children, identifying amounts for children in foster care and children served based on income (AFDC);
- (4) number of children eligible for mental health capitation payments, identifying children based on foster care status and children eligible based on income (AFDC);
- (5) mental health capitation encounter data (numbers receiving services and estimated expenditures) for children in foster care and children eligible based on income (AFDC);
- (6) expenditures of Alcohol and Drug Abuse treatment dollars, by county, for children receiving child welfare services, specifying, at a minimum, funding allocated by the state for this specific purpose;
- (7) Any other data, readily available, that might shed light on the extent to which multiple state funding sources support services for children currently in the child welfare system and those who exhibit similar needs to children in the child welfare system, although they may be served in other systems (such as youth corrections).

DEPARTMENT OF CORRECTIONS

7. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** -- The Department is requested to provide a report to the Joint Budget Committee on or before November 1, 2009, summarizing transfers that were made within this subprogram pursuant to the flexibility authorized by footnote.

8. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners --** The Department of Corrections is requested to require private prison providers to break-out their respective operating expenses and capital construction costs in the invoices that they submit to the Department for housing Colorado inmates. The Department of Corrections is further requested to submit a report to the Joint Budget Committee by November 1, 2009, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.
9. **Department of Corrections, Institutions, Youthful Offender System Subprogram --** The Department of Corrections is requested to submit a report to the Joint Budget Committee by November 1, 2009, justifying the ongoing need for the Youthful Offender System. The report is requested to summarize the cost effectiveness of the program, including the cost per offender, taking into consideration drop-out rates and recidivism rates for the program.
10. **Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication --** The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2010, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.
11. **Capital Construction, Department of Corrections, Capital Construction, Correctional Industries, Minor Construction Projects --** The Department of Corrections is requested to submit an annual report to the Capital Development and Joint Budget Committees detailing expenditures made from this appropriation.

DEPARTMENT OF EDUCATION

12. **Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding --** The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2009, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2008-09: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who

participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that is attributable to the Program.

13. **Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2009, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal year 2008-09.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

14. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.
15. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting** -- The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study to the Joint Budget Committee by November 1 of each year. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.
16. **Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation** -- The Department is requested to submit an annual report to the Joint Budget Committee by November 1

of each year. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding fiscal year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

17. **Department of Health Care Policy and Financing, Executive Director's Office --** The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.
18. **Department of Health Care Policy and Financing, Information Technology Contracts and Projects, Information Technology Contracts --** The Department is requested to submit updated implementation cost estimates for Senate Bill 08-006 if the Centers for Medicare and Medicaid Services approve a state plan amendment to suspend Medicaid eligibility, rather than eliminate eligibility, for confined persons during fiscal year 2009-10.
19. **Department of Health Care Policy and Financing, Medical Services Premiums --** The Department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for FY 2008-09 to the Joint Budget Committee by September 1, 2009. The Department is requested to include in the report a copy of each managed care organization's certification that the reimbursement rates are sufficient to assure the financial stability of the managed care organization with respect to delivery of services to the Medicaid recipients covered in their contract pursuant to Section 25.5-5-403 (1) (l), C.R.S.
20. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments --** The Department

is requested to report in their annual budget submission the amount of expenditures for each year for anti-psychotic pharmaceuticals.

21. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments:** The Department is requested to submit a report to the Joint Budget Committee by August 1, 2009 regarding any changes to capitation rates for the mental health program that were made on or before July 1, 2009 in order to reduce capitation rates to the mid-range of the actuarially sound range. This information is requested by behavioral health region contractor and by aid category. Within the report, the Department is requested to provide the Committee with information on how these adjustments will impact rates for calendar year 2010. The Department is also requested to provide the Committee with estimated savings in FY 2009-10 from any capitation adjustments.
22. **Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments --** The Department is requested to submit a report by February 1, 2010 to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2009-10.
23. **Department of Health Care Policy and Financing, Indigent care Program, Children's Basic Health Plan Premium Costs --** The Department is requested to submit a report to the Joint Budget Committee by November 1, 2009 regarding the year-to-date per capita costs for the children served in the Children's Basic Health Plan. The Department is requested to provide the following information: (1) the current caseload by capitation rate served in each HMO; (2) the contracted capitation rates for each aid category; (3) the current number of children served in the self-funded network; and (4) the current claim costs for the children served in the self-funded network.
24. **Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs --** The Department is requested to submit a report by November 1, 2009 regarding the implementation of the Vaccines for Children program for clients served by the Children's Basic Health Plan. The Department is requested to provide information in the report regarding the amount of administrative costs associated with implementing this program and the amount of savings achieved or projected.
25. **Department of Health Care Policy and Financing, Other Medical Services, S.B. 97-101 Public School Health Services --** The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public

school health service program. The report should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.

DEPARTMENT OF HIGHER EDUCATION

26. **Department of Higher Education, Colorado Commission on Higher Education, Administration --** The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by January 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.
27. **Department of Higher Education, Colorado Commission on Higher Education, Administration --** The Department is requested to submit a report to the Joint Budget Committee by January 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.
28. **Department of Higher Education, Colorado Commission on Higher Education, Administration --** The Department, in cooperation with the Colorado Commission on Higher Education, the higher education institutions, and the Office of State Planning and Budgeting, is requested to submit a report to the Joint Budget Committee by September 15, 2009, presenting options for how to measure and ensure access and affordability if governing boards are granted greater flexibility in setting tuition rates.

DEPARTMENT OF HUMAN SERVICES

29. **Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program** -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: Actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.
30. **Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS)** -- The Department is requested to submit a summary of change request activity related to the Colorado Benefits Management System. This summary should include the number of change requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail. The report should be provided to the Joint Budget Committee annually on or before November 1.
31. **Department of Human Services, Office of Operations; Department Totals** -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2009, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.
32. **Department of Human Services, Division of Child Welfare; and Totals** -- The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount

of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.

33. **Department of Human Services, Division of Child Welfare** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
34. **Department of Human Services, Division of Child Welfare, Training** -- The Department is requested to provide additional information on the State's child welfare training efforts and the need for child welfare training funds, including the following: (1) the number of individuals employed and annual rate of turnover, by county, for child welfare caseworkers and supervisors and any other job classification for which the Department provides training; and (2) the number of training sessions provided and anticipated to be required annually, based on the data provided on county employees and turnover. This report is requested to be submitted by June 30, 2010.
35. **Department of Human Services, Division of Child Welfare, Child Welfare Services** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning actual expenditures for the last two fiscal years for services that are now funded through this consolidated line item. Such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.
36. **Department of Human Services, Division of Child Care, Child Care Assistance Program** -- The Department is requested to submit a report to the Joint Budget Committee by January 15, 2010 concerning the Child Care Assistance Program. The report is requested to address whether the Department, after consultation with counties and other interested parties, would recommend that eligibility for this program and/or provider reimbursement rates be set by the State. This recommendation could include eligibility/reimbursement rates that vary by region (metro, rural, mountain resort), even if they were set by the state. The Department is requested to include in the report: (1) an analysis of the programmatic and fiscal implications of such a change on program participants, providers, counties and state government; (2) how any recommended changes might be phased-in; and (3) what statutory modifications would be required. The report is requested to take into

account the results of the State Auditor's Office audit of the Child Care Assistance Program required pursuant to H.B. 07-1062.

37. **Department of Human Services, Office of Self Sufficiency, Colorado Works Program, Works Program Evaluation** -- The Department is requested to submit a summary of the activities conducted under the Works Program Evaluation activity. The summary should include specific questions which the Department set out to answer, the methodologies used, the results obtained, and suggestions on how the results can be used to improve the Works program. The report should be provided to the Joint Budget Committee and the House and Senate Health and Human Services Committees by November 1 of each year.
38. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation** -- The Department is requested to provide an update, by November 1, 2009, on the Division of Vocational Rehabilitation's efforts to operate within existing funding constraints. This is requested to include information on the effectiveness of restrictions imposed during FY 2008-09 and the status of "order of selection" restrictions on new applicants.
39. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation, Rehabilitation Programs -- Local Funds Match** -- The Department is requested to provide a report to the Joint Budget Committee, by November 1 of each year, that details deferred cash and reappropriated funds revenue on its books as of the close of the preceding fiscal year.
40. **Department of Human Services, Division of Youth Corrections, Administration** -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
41. **Department of Human Services, Division of Youth Corrections, Administration** -- The Department is requested to provide a report to the Joint Budget Committee on January 1, 2010 that tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.
42. **Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements** -- The Division is requested to

provide a report to the Joint Budget Committee on November 1, 2009. This report should include the following information: (1) the amount spent serving youths in residential and non-residential settings from this line item in FY 2008-09; (2) the type of services purchased with such expenditures; (3) the number of committed and detained youths treated with such expenditures; (4) baseline data that will serve to measure the effectiveness of such expenditures; and (5) an evaluation of the effectiveness of this footnote in addressing the need for flexibility in treating and transitioning youth from residential to non-residential settings.

43. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.
44. **Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1 of each year, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2008-09, 2009-10, and 2010-11 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds.
45. **Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the

estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting Works Program Reserve Account balance, the annual allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state under the provisions of S.B. 08-177, and the closing reserve balance. The report should be provided to the Joint Budget Committee annually on or before November 1.

DEPARTMENT OF NATURAL RESOURCES

46. **Department of Natural Resources, Executive Director's Office --** The Department of Natural Resources has committed resources and FTE to examining energy impacts on the Eastern Plains and throughout Colorado. The Joint Budget Committee is requesting a report from the Department of Natural Resources by November 1, 2009, explaining the impact on native ecosystems, prairie wildlife, and the impact on rural lifestyle, including farming and ranching.
47. **Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response --** The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
48. **Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies --** The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
49. **Department of Natural Resources, Parks and Outdoor Recreation --** The division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2009.
50. **Capital Construction, Department of Natural Resources, Division of Wildlife --** It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon

as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

51. **Department of Personnel and Administration, Division of Accounts and Control - Controller, State Purchasing Office --** The Department is requested to submit a report on alternative procurement options for the State. The report should include an analysis and recommendations on potential advantages and disadvantages related to the State contracting with private providers for procurement services and/or entering into an interstate compact with other states in order to receive greater procurement discounts as a result of higher volume of purchases. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

52. **Department of Public Health and Environment, Air Quality Control Division --** The Department is requested to submit a report on the Air Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.
53. **Department of Public Health and Environment, Water Quality Control Division --** The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.
54. **Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups --** The Department is requested to submit a report on its CERCLA program. This report is requested to

include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

55. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Immunization** -- The Department is requested to submit a report to the Joint Budget Committee by November 1, 2009, detailing how immunization promotion funding was spent during FY 2008-09. The report should include the following information: (1) the location, number of children *vaccinated*, and total grant amount for each immunization outreach clinic funded; and (2) the expenditures for and major purchases of the media campaign.
56. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Ryan White Act** -- The Department is requested to report annually to the Joint Budget Committee with regard to the AIDS drug assistance program. The report should be submitted on or before October 20, 2009. The report should include, but not be limited to: (1) the total and average monthly number of clients served, with a description of the demographic profile of the client population; (2) the total and average monthly costs to provide pharmaceutical products to those clients; (3) a listing of the pharmaceuticals on the formulary, the manufacturer of each product, and the respective average price for a month's supply of each product; and (4) the total amount of available funds, including state General Fund support, federal Title I and Title II support; and any other source as appropriate.
57. **Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Grampsas Youth Services Program, Prevention Services Programs** -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Grampsas Youth Services Program by December 1, 2009. This report should include the following information for Fiscal Year 2008-09: (1) Names of all applicants and the amount requested by each; (2) names of all grantees, amount of each grantee's award, period covered by each grant, the number of years each grantee has previously received grants, the number of persons served under the grant, a brief description of the funded program; and (3) the most recently available report evaluating the effectiveness of programs operated by grantees.

DEPARTMENT OF PUBLIC SAFETY

58. **Department of Public Safety, Colorado State Patrol** -- The Department is requested to submit to the Joint Budget Committee a detailed summary of FTE assigned to the field and to special programs on an annual basis beginning on November 1, 2006. Each annual report should include comparative information about the historical assignment of all uniformed positions, vacant positions, State Patrol Academy graduates, employee turnover (including service and disability retirements), and trooper deployment.
59. **Department of Public Safety, Colorado Bureau of Investigation** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the allocation of resources within the CBI Laboratory and Investigative Services subdivision on an annual basis beginning on November 1, 2009. Each annual report should include the number of field investigators, laboratory investigators (including information on laboratory staff disciplines), and associated staff within the subdivision for the prior year as well as estimates for the current year and the budget year.
60. **Department of Public Safety, Totals** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the Department's use of HUTF funds, by division and program, on an annual basis beginning on November 1, 2008. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other divisions.

DEPARTMENT OF REGULATORY AGENCIES

61. **Department of Regulatory Agencies, Executive Director's Office and Administrative Services, Leased Space** -- The Department is requested to submit to the Joint Budget Committee on or before October 1, 2009, a report detailing the date the lease was signed, the cost per square foot, the projected yearly escalations through the end of the lease, the number of FTE, associated divisions, and date the FTE were moved into the space, and the cost and time used to build out the space.
62. **Department of Regulatory Agencies, Public Utilities Commission, Personal Services** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2009, a summary of the meetings and conferences attended by the Electricity Transmission Planning staff, and an outline of meetings and conferences to be attended during the remainder of FY 2009-10.

63. **Department of Regulatory Agencies, Division of Registrations, Office of Expedited Settlement Program Costs** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2009, a report detailing the method being used to track the number of legal service hours billed to the Office of Expedited Settlement by the Department of Law and the number of hours billed to the Office of Expedited Settlement for the current fiscal year broken out by board.

DEPARTMENT OF REVENUE

64. **Department of Revenue, Information Technology Division, Colorado State Titling and Registration System** -- The Department is requested to provide, for the fiscal year starting July 1, 2009, quarterly reports to the Joint Budget Committee on the fund balance, revenues, and expenditures in the Colorado State Titling and Registration Account created in Section 42-1-211 (2), C.R.S., a sub-account of the Highway Users Tax Fund. The reports should come as soon as possible after the end of the quarters that end on September 30, 2009, December 31, 2009, March 31, 2010, and June 30, 2010.
65. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2009, but no later than September 30, 2009, a report detailing the amount of additional General Fund revenue realized in during FY 2008-09 by the General Assembly's funding of the program to allow senior auditors to travel eight weeks each out-of-state to audit companies that are based out-of-state. The Department is requested to provide a similar report for the fiscal year that ends June 30, 2010.
66. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2010, but no later than September 30, 2010, a report detailing the amount of additional General Fund revenue realized in FY 2009-10 by the General Assembly's funding of an expanded out-of-state tax compliance and enforcement program.
67. **Department of Revenue, State Lottery Division**-- The Department is requested to submit a report to the Joint Budget Committee, by September 30, 2009, on the employment location of senior management employees of the State Lottery Division, pursuant to Section 24-35-202 (1), C.R.S., which requires the Lottery headquarters to be located in the city of Pueblo. This report should identify each position in senior management of the Division, and where the primary offices of the incumbents in those positions are located.

DEPARTMENT OF TRANSPORTATION

68. **Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation for Option 8 purposes. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.
69. **Department of Transportation, Administration** -- By August 1, 2010, the Department is requested to provide a report to the Joint Budget Committee regarding the effectiveness of the expansion of the Office of Organizational Learning and Development in reducing turnover and increasing retention of Department staff.
70. **Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2009 budget request, decision items for any changes made within the Administration program line during either FY 2008-09 or FY 2009-10 that the Department wishes to have recognized during the FY 2010-11 figure setting process.

STATE OF COLORADO

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Abel Tapia
Al White

REPRESENTATIVES

Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

DRAFT

April 6, 2009

Hon. Mary Mullarkey, Chief Justice of the Colorado Supreme Court
2 E. 14th Ave., 4th Floor
Denver, CO 80203-1792

Dear Chief Justice Mullarkey:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Judicial Department will comply with these requests to the fullest extent possible.

Please notify us by May 1st if you do not intend to comply with any requests.

Sincerely,

Senator Moe Keller
Chairman

cc:

Gerry Marroney, State Court Administrator
Ted Tow, Executive Director, Colorado District Attorneys' Council
John Ziegler, Joint Budget Committee

Legislative Requests for Information from the Executive Branch, Fy 2009-10

JUDICIAL DEPARTMENT

1. **Judicial Department, Courts Administration** -- The Department is requested to review and analyze the impact of Colorado Supreme Court Rule 16 on state expenditures, and to determine whether amendments to Rule 16 and/or statutory changes are warranted. Specifically, the Department is requested to collect and analyze data concerning rates currently charged to state agencies by each district attorney's office for duplicating discoverable material, the methodology used by each office to calculate these rates, as well as the timing and frequency of rate changes. The Department is requested to determine the following: (a) whether existing rates are consistent with Part V (c) of Rule 16 and appropriately reimburse district attorneys' duplication costs; and (b) whether the existing process of establishing these rates allows state agencies to effectively manage their resources. Finally, the Department is requested to provide a report to the Joint Budget Committee and to the House and Senate Judiciary Committees by November 1, 2009, summarizing its findings, including any recommended rule changes and/or statutory changes.
2. **Judicial Department, Courts Administration; Office of the Child's Representative** -- The State Court Administrator's Office is requested to work with the Office of the Child's Representative (OCR) to explore options for providing the OCR with timely access to filing and appointment information for the purpose of allowing the OCR to better monitor its caseload and manage its annual appropriation. The Department is requested to provide a report to the Joint Budget Committee by September 1, 2009, describing the status of its efforts to provide timely filing and appointment information.
3. **Judicial Department, Courts Administration, Integrated Information Services** -- The Judicial Department is requested to provide a semi-annual report to the Joint Budget Committee and to the House and Senate Judiciary Committees concerning the status of the development of in-house public access and electronic filing systems. This report is requested to document the Department's progress in meeting system development benchmarks and milestones and explain the reasons for any benchmarks or milestones that have not been met. This report is also requested to include an updated cost-benefit analysis for the project, including the following information: itemized expenditures incurred to date (along with any associated FTE); annual projected expenditures through FY 2013-14 (along with any associated FTE); revenues collected to date; and revenues projected to be collected annually through FY 2013-14. The Department is requested to provide the first report by November 1, 2009.

4. **Judicial Department, Trial Courts, District Attorney Mandated Costs** -- District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorney's Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorney's Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. As part of its annual budget request, the Judicial Department is requested to include a report by the Colorado District Attorney's Council detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
5. **Judicial Department, Probation and Related Services** -- The Judicial Department is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Department is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many return to probation as the result of violations.
6. **Judicial Department, Probation and Related Services, Offender Treatment and Services** -- The Judicial Department is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

STATE OF COLORADO

SENATORS

Moe Keller, Chairman
Abel Tapia
Al White

REPRESENTATIVES

Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

DRAFT

April 6, 2009

Hon. John Suthers, Attorney General
Colorado Department of Law
1525 Sherman St.
Denver, CO 80203

Dear Attorney General Suthers:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department of Law will comply with these requests to the fullest extent possible.

Sincerely,

Senator Moe Keller
Chairman

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law
Amy Luong, Budget Analyst, Colorado Department of Law
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law
John Ziegler, Joint Budget Committee

Legislative Requests for Information from the Executive Branch, Fy 2009-10

DEPARTMENT OF LAW

1. **Department of Law, Criminal Justice and Appellate, Medicaid Fraud Grant --**
The General Assembly requests that the Department of Law's Medicaid Fraud Control Unit produce a progress report on the Department's efforts to reduce Medicaid fraud and abuse in Colorado. The report should include: (1) the most recent estimates on the total amount of Medicaid fraud and abuse in Colorado; (2) a summary of total fines, costs, and restitutions recovered, attributable to the Medicaid Fraud Control Unit's efforts; (3) a detailed explanation of the Medicaid Fraud Control Unit's participation in global or national Medicaid fraud settlements, including total awards received due to them; and (4) evidence of the effectiveness of the Medicaid Fraud Control Unit in reducing the amount of Medicaid fraud and abuse in Colorado. The Medicaid Fraud Control Unit is requested to submit the report to the Joint Budget Committee by November 1, 2009.

STATE OF COLORADO

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www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

DRAFT

April 6, 2009

Bernie Buescher, Secretary of State
Colorado Secretary of State's Office
1700 Broadway
Denver, CO 80290

Dear Secretary Buescher:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department of State will comply with these requests to the fullest extent possible.

Please notify us by May 1st if you do not intend to comply with any requests.

Sincerely,

Senator Moe Keller
Chairman

cc:

Heather Lizotte, Budget/Finance, Colorado Secretary of State's Office
John Ziegler, Joint Budget Committee

Legislative Requests for Information from the Executive Branch, Fy 2009-10

DEPARTMENT OF STATE

1. **Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed throughout the Administration Division.
2. **Department of State, Administration, Address Confidentiality Program** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, an annual budget report for the Address Confidentiality Program. The report should reflect monthly expenditures, the number of participants served, and the number of pieces of participants' mail processed monthly.
3. **Department of State, Information Technology Services, Information Technology, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, information concerning expenditures related to the Department's new accounting system. The report should include the status of the new accounting system and its costs. The requested information should be submitted as part of the Department of State's annual budget request.

STATE OF COLORADO

SENATORS

Moe Keller, Chairman
Abel Tapia
Al White

REPRESENTATIVES

Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

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www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

DRAFT

April 6, 2009

Hon. Cary Kennedy, State Treasurer
140 State Capitol
Denver, CO 80203-1792

Dear Treasurer Kennedy:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Treasury Department will comply with these requests to the fullest extent possible.

Please notify us by May 1st if you do not intend to comply with any requests.

Sincerely,

Senator Moe Keller
Chairman

cc:

Eric Rothaus, Deputy Treasurer
John Ziegler, Joint Budget Committee

Legislative Requests for Information from the Executive Branch, Fy 2009-10

DEPARTMENT OF TREASURY

1. **Department of the Treasury, Administration** -- The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the state's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.
2. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2009, information concerning expenditures related to the Department's bank services contract(s) which are paid through deductions from interest earned on bank account balances. The State Treasurer is requested to include actual expenditures for FY 2008-09 as well as projected expenditures for FY 2009-10. The requested report should be submitted as part of the State Treasurer's annual budget request.
3. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2009, information concerning state revenues and expenditures related to the issuance of tax and revenue anticipation notes for school districts pursuant to Section 29-15-112, C.R.S. The State Treasurer is requested to include actual data for FY 2008-09, as well as projected data for FY 2009-10. The requested information should be submitted as part of the State Treasurer's annual budget request.
4. **Department of the Treasury, Special Purpose, CoverColorado** -- Pursuant to Section 10-8-530 (4) (c) (I), C.R.S., the Executive Director of CoverColorado is required to report annually to the Joint Budget Committee concerning actual program receipts and expenditures. In addition, the Department is requested to work with the Executive Director to provide reports to the Joint Budget Committee by October 1, 2009, and by February 1, 2010, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2009-10 and FY 2010-11.
5. **Department of the Treasury, Special Purpose, Fire and Police Pension Association - Old Hire Plans** -- The Fire and Police Pension Association is requested to submit an annual report of operations and investments for state-supported programs to the Joint Budget Committee by October 1, 2009. This report shall include the following: (1) the amount of additional funding the State is required to transfer to the Association pursuant to Section 31-30.5-307 (5) (b), C.R.S., assuming such payment is made on April 30, 2012, along with a description of the actuarial assumptions used to calculate this amount; (2) the current estimated unfunded liability for each local plan still eligible to receive state assistance; and (3) the projected remaining funded period for each local plan still eligible to receive state assistance.

APPENDIX B

Appendix B includes bill summaries for bills in the Joint Budget Committee's budget balancing package. The bills are included in numeric order.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-260: CONCERNING THE TRANSFER IN STATE FISCAL YEARS 2008-09 AND 2009-10 OF ALL MONEYS NOT OTHERWISE ALLOCATED FROM STATE PUBLIC SCHOOL LANDS TO THE STATE PUBLIC SCHOOL FUND INSTEAD OF THE PERMANENT SCHOOL FUND.

Prime Sponsors: Senator White and Representative Pommer

Bill Summary

For FY 2008-09 and FY 2009-10 only, the bill transfers certain moneys to the State Public School Fund (SPSF) rather than to the Permanent School Fund. The bill appropriates the moneys anticipated to be transferred in each fiscal year for public school finance, and reduces appropriations from the State Education Fund for public school finance by the same amounts. The bill thus reduces State Education Fund expenditures, improving its solvency.

- **Section 1** requires that interest or income earned in FY 2008-09 and FY 2009-10 on the investment of moneys in the Permanent School Fund that is not required for the "BEST" capital construction funding program (created through H.B. 08-1335) shall be transferred to the SPSF.
- **Section 2** requires that rental income earned on state school trust lands in FY 2008-09 and FY 2009-10 that is not required for State Land Board administration or the "BEST" capital construction funding program shall be transferred to the SPSF.
- **Section 3** requires that royalties and other payments for the depletion or extraction of a natural resource on state school trust lands received in FY 2008-09 and FY 2009-10 that are not required for State Land Board administration or the "BEST" capital construction funding program, and are not transferred to the Land Board's Investment and Development Fund, shall be transferred to the SPSF.
- **Sections 4 and 5** make appropriations, described below.

Fiscal Impact

Current estimates indicate that this bill would result in transfers to the SPSF of \$24.6 million in FY 2008-09 and \$37.0 million in FY 2009-10¹. The bill includes provisions adjusting appropriations as follows:

¹ This estimate assumes S.B. 09-22 (Concerning the State Board of Land Commissioners) will pass. If S.B. 09-22 is not enacted, \$39.0 million is estimated to be transferred in FY 2009-10.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Adjustments to Appropriations to the Department of Education for the State Share of Districts' Total Program Funding		
Description	Amount	Fund Source
FY 2008-09:	\$24,600,000	State Public School Fund
	(24,600,000)	State Education Fund
FY 2009-10:	37,000,000	State Public School Fund
	(37,000,000)	State Education Fund
Totals (over two fiscal years)	<u>\$0</u>	Total Funds
	61,600,000	State Public School Fund
	(61,600,000)	State Education Fund

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-261: CONCERNING OLD AGE PENSION SUPPLEMENTAL FUND.

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

This bill allows the Supplemental Old Age Pension Health and Medical Care Fund to pay up to \$3.0 million dollars in FY 2008-09 and \$6.0 million dollars in FY 2009-10 of the state costs associated with serving Old Age Pension medical clients in the Medicaid program.

Fiscal Impact

This bill spends down the fund balance in the Supplemental Old Age Pension Health and Medical Fund (SOAP Fund) by expanding the purposes of the fund to pay up to \$3.0 million in FY 2008-09 and \$6.0 million in FY 2009-10. Using the SOAP Fund for these costs offsets current General Fund expenditures. Table 1 below shows the impact to the SOAP Fund balance and the savings to the General Fund.

Table 1: Impact of S.B. 09-261	FY 2007-08 Actual	FY 2008-09 Est.	FY 2009-10 Forecast	FY 2010-11 Forecast
Beginning Cash Balance In OAP Supplemental Medical Fund	\$2,542,498	\$6,222,647	\$7,546,054	\$1,547,571
Revenues				
--Constitutional Transfer Article XXIV, Section 7 (c)	10,000,000	10,000,000	10,000,000	10,000,000
--Section 39-26-123 (3), C.R.S. Transfer	750,000	2,850,000	2,850,000	2,850,000
--Section 25.5-2-101 (2), C.R.S. Transfer	2,888,693	2,475,000	2,520,000	2,250,000
TOTAL FUNDING AVAILABLE FOR EXPENDITURE (Current Law)	\$16,181,191	\$21,547,647	\$22,916,054	\$16,647,571
Expenditures				
--Expenditures for OAP Medical Program for Non-Medicaid clients	9,958,544	11,001,593	15,368,483	15,368,483
--Expenditures for S.B. 09-261 OAP Clients Served in Medicaid Program	<u>0</u>	<u>3,000,000</u>	<u>6,000,000</u>	<u>0</u>
AVAILABLE CASH BALANCE	\$6,222,647	\$7,546,054	\$1,547,571	\$1,279,088
GENERAL FUND SAVINGS		(\$3,000,000)	(\$6,000,000)	

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Background Information

Currently the Old Age Pension Program receives a \$15.3 million total funds appropriation. However, due to falling caseloads in FY 2007-08 and FY 2008-09, the Department did not expend, or is not anticipated to expend, their full appropriation. However, in FY 2009-10, the Department is anticipated to spend up to their \$15.3 million appropriation by increasing provider rates for the program (this program has the lowest provider reimbursement rates of any public medical program). Because the Department did not, or will not, fully expend their appropriations in FY 2007-08 and FY 2008-09, an unanticipated fund balance has accumulated in the Old Age Pension Supplemental Medical Fund.

One of the reasons the Department did not fully expend their SOAP appropriation was the FY 2007-08 and FY 2008-09 caseload was lower than originally forecasted. Between July 2007 and January 2008, the Department identified 297 legal immigrant OAP Medical clients who became eligible for full Medicaid benefits. Under federal law, certain legal immigrants may become eligible for Medicaid after living in the United States for five years. Therefore, these clients have moved from the state-only OAP Medical program to the Medicaid program. The Medicaid program provides better health benefits than the OAP Medical program and is also eligible for federal match. When these clients moved from the OAP Medical program to the Medicaid program, lower costs were experienced in the OAP Medical program and increased costs occurred in the Medicaid program.

Senate Bill 09-261 temporarily allows the SOAP Fund to be used to pay for Medicaid costs associated with clients age 65 and older (clients who would have been eligible for the OAP Medical Program if it were not for the Medicaid program). For FY 2008-09, the bill allows up to \$3.0 million in FY 2008-09 and up to \$6.0 million in FY 2009-10 from the SOAP Fund to offset General Fund expenditures.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-262: CONCERNING BREAST AND CERVICAL CANCER PROGRAM COSTS.

Prime Sponsors: Senator White and Representative Marostica

Bill Summary

This bill allows up to 100 percent of the State match costs for the Breast and Cervical Cancer Prevention and Treatment program to be paid from the Breast and Cervical Cancer Prevention and Treatment (BCCPT) Fund. Beginning in FY 2009-10, current law provides that the 50 percent of the State match for this program be paid from the General Fund and that 50 percent come from the BCCPT Fund.

Fiscal Impact

This bill will reduce General Fund expenditures by \$896,290 in both FY 2009-10 and FY 2010-11, respectively. The bill will increase expenditures from the BCCPT Fund by \$896,290 in both FY 2009-10 and FY 2010-11, respectively.

Background Information

The Breast and Cervical Cancer Treatment Fund (BCCPT Fund) was created in S.B. 01S2-012, for the purpose of funding the State match for Medicaid services for women under age 65 who have been diagnosed with breast or cervical cancer, and do not have any credible insurance coverage. The revenue source for the BCCPT Fund is the interest earnings from the Tobacco Litigation Settlement Trust Fund. All moneys in the BCCPT Fund remain (including the unexpended fund balance) in the BCCPT Fund with the exception that interest earnings from the BCCPT Fund are transferred to the Coordinated Care for People with Disabilities Fund. In FY 2008-09, the state match for this program is funded through the BCCPT Fund. Beginning in FY 2009-10, the State match for the program is 50 percent from the General Fund and 50 percent from the BCCPT Fund. Under current law, the fund balance is anticipated to be \$10,305,181 at the end of FY 2009-10.

Senate Bill 09-262 reduces General Fund expenditures by \$896,290 by allowing the BCCPT Fund to pay 100 percent of the state match costs. With S.B. 09-262, the fund balance is anticipated to be \$9,408,889 at the end of FY 2009-10. Tables 1 and 2 show the fund balance for the BCCPT Fund under current law and with the proposed changes in S.B. 09-262.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Table 1: Fund Balance for BCCPT Fund Under CURRENT LAW

	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning Balance	\$8,445,560	\$10,269,298	\$9,901,473	\$10,305,181
Revenues	2,463,160	1,300,000	1,300,000	1,300,000
Expenditures for BCCPT Program from BCCPT Fund*	<u>(639,422)</u>	<u>(1,667,825)</u>	<u>(896,292)</u>	<u>(896,292)</u>
Ending Balance	\$10,269,298	\$9,901,473	\$10,305,181	\$10,708,889

*Does not include H.B. 05-1262 expansion caseload that is funded from a transfer from Department of Public Health and Environment (DPHE). Fiscal Year 2007-08 expenditures from the fund were 25 percent of the state match. In FY 2008-09, expenditures from the fund are 100 percent of the state match. For FY 2009-10 and afterwards, current law provides that the fund will provide only 50 percent of the state match.

Table 2: Fund Balance for BCCPT Fund With S.B. 09-262

	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2009-11 Estimate
Beginning Balance	\$8,445,560	\$10,269,298	\$9,901,473	\$9,408,889
Revenues	2,463,160	1,300,000	1,300,000	1,300,000
Expenditures for BCCPT Program from BCCPT Fund*	<u>(639,422)</u>	<u>(1,667,825)</u>	<u>(1,792,584)</u>	<u>(1,792,584)</u>
Ending Balance	\$10,269,298	\$9,901,473	\$9,408,889	\$8,916,305

*Does not include H.B. 05-1262 expansion caseload that is funded from a transfer from DPHE. Fiscal Year 2007-08 expenditures from the fund were 25 percent of the state match. In FY 2008-09, expenditures from the fund are 100 percent of the state match. Under S.B. 09-262, 100 percent of the state match would come from the BCCPT Fund in FY 2009-10 through FY 2011-12.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-263: CONCERNING MEDICAID NURSING FACILITY PAYMENTS.

Prime Sponsors: Senator White and Representative Pommer

UPDATED IMPACT FROM THE AMOUNT SHOWN IN THE SUMMARY AND DEPARTMENT SECTIONS

Bill Summary

This bill saves approximately \$3.7 million General Fund in FY 2008-09 and \$17.1 million General Fund in FY 2009-10 through various changes used to calculate nursing facility reimbursement rates. Specifically, the bill contains the following provisions:

- a) Specifies the methodology used to calculate the nursing facility General Fund per diem cap (including the 3.0 percent cap currently in place for FY 2008-09) during the American Recovery and Reinvestment Act (ARRA) time period.
- b) Reduces the General Fund cap to 0.0 percent growth in FY 2009-10 and allows a 5.0 percent growth cap for FY 2010-11. Reinstates the current 3.0 percent cap on General Fund growth for the fiscal years after FY 2010-11.
- c) Caps the nursing facility provider fee to \$7.50 per nonmedicare-resident day in FY 2009-10. This cap is allowed to grow by inflation in future years.
- d) For FY 2009-10 and subsequent fiscal years, provides that the increase in the cost of direct and indirect health care services and raw food shall not exceed 8.0 percent. This provision reduces the provider fee in FY 2009-10 to ensure the provider fee stays below the \$7.50 in FY 2009-10 when the General Fund growth rate is capped at 0.0 percent growth. Reduces and delays other rate components in order to ensure the \$7.50 cap is not exceeded.

Fiscal Impact

The fiscal impact of this bill is estimated to reduce General Fund expenditures in FY 2008-09 by \$3.7 million and by \$17.1 million in FY 2009-10. Table 1 shows the fiscal impact for S.B. 09-263.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

TABLE 1: S.B. 09-263 Fiscal Impact ONLY	FY 2008-09	FY 2009-10
Revenue Impacts		
Nursing Facility Cash Fund	\$0	(\$14,275,080)
TOTAL FUND APPROPRIATION IMPACT	\$0	(\$28,550,160)
General Fund	(\$3,711,959)	(\$17,140,089)
Cash Funds -- Nursing Facility Fund	\$3,711,959	\$2,865,009
Federal Funds	\$0	(\$14,275,080)

Background Information

Last year the General Assembly passed H.B. 08-1114 which created a nursing facility provider fee, implemented a new rate methodology for nursing reimbursement rates, and capped General Fund per diem growth at 3.0 percent. On March 27, 2009, the Centers for Medicare and Medicaid Financing approved the nursing facility provider fee waiver and reimbursement methodology. In FY 2008-09, nursing facilities are anticipated to pay \$21.4 million in provider fees and receive \$42.9 million back in additional reimbursement, for a net gain of \$21.4 million statewide. In addition, the provider fee was anticipated to back fill \$3.7 million General Fund due to the 3.0 percent cap.

When H.B. 08-1114 was enacted, the General Fund cap assumed that the federal match rate would be 50.0 percent. However, the American Recovery and Reinvestment Act (ARRA) has temporarily increased the federal match for FY 2008-09 through FY 2010-11. This had the unintended consequence of eliminating the anticipated General Fund savings of \$3.7 million in FY 2008-09 and \$9.9 million in FY 2009-10 from the 3.0 percent cap. Because ARRA lowered the General Fund portion of the per diem rate, the cap would not apply.

Provisions in S.B. 09-263 allow the State to retain the General Fund savings that were anticipated due to the passage of H.B. 08-1114. Specifically, S.B. 09-263 states that for the purpose of calculating the General Cap on per diem growth, the methodology used will assume a 50 percent match rate notwithstanding federal law changes. Furthermore, S.B. 09-263 provides that there will be 0.0 percent growth to the General Fund per diem rate in FY 2009-10 in order to help balance the State budget. This provision saves an additional \$7.2 million in General Fund over the original anticipated \$9.9 million for a total General Fund savings in FY 2009-10 of \$17.1 million. In FY 2010-11, the General Fund cap is temporarily increased to 5.0 percent in order to rebase the cap (i.e. to correct for the ratchet down effect from FY 2009-10). After FY 2011-12 the 3.0 percent cap is reinstated as originally passed in H.B. 08-1114.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

In order to backfill the General Fund savings, the nursing facility provider fee will need to be approximately \$5.11. Because some facilities pay more into the provider fee than they receive back, a provider fee greater than \$7.50 was determined to create financial difficulties on those nursing facilities without high Medicaid utilization. Therefore, S.B. 09-263 establishes a cap on the provider fee of \$7.50. Because other components of the rate were anticipated to increase the provider fee (in order to pay for quality incentive programs, enhance funding to treat severe cognitive impairments, and other rate adjustments), S.B. 09-263 delays the implementation or reduces the rates for several H.B. 08-1114 enhancements. Specifically, S.B. 09-263 reduces nursing facility rates by: (1) reinstating the 8.0 percent growth cap on health care expenditures (this cap was temporarily lifted in FY 2008-09); (2) reducing the reimbursement allowed for quality incentives, and (3) delaying or reducing other supplemental payments if funding is not available under the \$7.50 provider fee cap. Table 2 below shows the impact of S.B. 09-263 on average statewide per diem rates.

Table 2: S.B. 09-263 Impacts	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Cap on General Fund Growth	3.0%	0.0%	5.0%	3.0%
Estimated Per Diem Rate (Core Rate Components)	\$144.93	\$152.96	\$160.52	\$167.82
General Fund	\$71.38	\$71.37	\$74.94	\$77.19
Cash Fund (Nursing Facility Fee)	\$1.09	\$5.11	\$5.32	\$6.72
Federal Funds	\$72.47	\$76.48	\$80.26	\$83.91
(H.B. 08-1114 Rate Enhancement)	\$12.64	\$4.77	\$5.16	\$3.14
Cash Fund Share (Nursing Facility Fee)	\$6.32	\$2.38	\$2.58	\$1.57
Federal Fund Share	\$6.32	\$2.39	\$2.58	\$1.57
TOTAL PROVIDER FEE**	\$7.41	\$7.49	\$7.90	\$8.29

*Rate add-on for additional components related to quality incentives, mental impairments, and new pricing methodologies.

** Cap is allowed to grow by inflation.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-264: CONCERNING MAXIMIZE FEDERAL MATCH.

Prime Sponsors: Senator Keller and Representative Pommer

Updated Fund Split Information from the Amounts Shown in the Summary and Department Sections.

Bill Summary

This bill increases the amount of State funding available through the American Recovery and Reinvestment Act (ARRA) by allowing the State to retain any federal match for Medicaid or Title IV-E programs above the normal 50.0 percent match. The providers impacted by this bill will receive the same amount of funding as they would have received prior to or after ARRA. The bill is anticipated to enhance General Fund revenue or offsets by \$21.6 million in FY 2008-09 and \$36.9 million in FY 2009-10.

Fiscal Impacts

TABLE 1: S.B. 09-264 Fiscal Impact	FY 2008-09	FY 2009-10
Revenue Impacts -- Estimated Excess Federal Funds Transferred to General Fund		
Safety Net Provider Payments	\$15,541,857	\$24,693,414
Public School Health Services Program	3,374,207	5,364,615
Comprehensive Primary and Preventative Care Rural and Public Hospital Payment ^{/1}	0	1,030,048
Total General Fund Revenue	\$18,916,064	\$31,088,077
TOTAL FUND Appropriation Impacts		
Colorado Health Services Fund	(2,081,250)	(3,057,000)
The Children's Hospital, Clinic Based Indigent Care	0	0
Health Care Services Fund	0	0
Pediatric Speciality Hospital	1,137	(557)
General Fund Appropriation to Pediatric Hospital Fund	(68,000)	(103,000)
Comprehensive Primary and Preventative Care Rural and Public Hospital Payment ^{/1}	<u>0</u>	<u>(1,041,096)</u>

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

TABLE 1: S.B. 09-264 Fiscal Impact	FY 2008-09	FY 2009-10
TOTAL FUND APPROPRIATION IMPACT	(\$2,148,113)	(\$4,201,653)
General Fund & General Fund Exempt	(\$2,149,250)	(\$3,160,000)
Cash Funds/2	(\$51,292)	(\$1,102,407)
Reappropriated Funds/2	(\$2,149,250)	(\$3,160,000)
Federal Funds	\$2,201,679	\$3,220,754

^{/1} The FY 2008-09 impact for the Comprehensive Primary Care Rural and Public Hospital Grant Program is included in the appropriations in S.B. 09-210.

^{/2} The Narrative Summary and Department tables in the front of the narrative incorrectly show \$4,159,407 as a cash funds appropriation in FY 2009-10. Of this amount, only \$1,102,407 is from cash funds. The remaining \$3,057,000 should have been classified as reappropriated funds. The total reappropriated funds in FY 2009-10 is \$3,160,000.

Background Information

In February 2009, the American Recovery and Reinvestment Act was enacted. This Act increases the federal match (FAMP) rate for Medicaid and Title IV (Child Welfare) programs in FY 2008-09, FY 2009-10, and FY 2010-11. For FY 2008-09, the annualized federal match rate increased from 50.0 percent to 56.9375 percent. For FY 2009-10, the federal match rate will be 60.19 percent.

For most appropriations in the Long Bill, an (M) or (H) is placed next to any state appropriation that receives federal match. If more federal match is received than appropriated, then these head notes allow the state appropriation to be decreased proportionately to the amount of increased federal moneys available. Because the increase to the FMAP rate is temporary, the Long Bill recommendations are appropriated at 50.0 percent match rate for most Medicaid line items. As additional federal moneys are received over the 50.0 percent match, the State Controller will restrict Medicaid General Fund appropriations and more General Fund will be available for other state purposes. Writing the Long Bill appropriations in this manner will ensure that the General Fund appropriation base will be maintained when the FMAP returns to the prior match rate in FY 2011-12. Therefore, the majority of the FMAP increase is shown in General Fund Overview (State Balance Sheet) as a General Fund revenue increase. The budget recommendation currently assumes that the increased FMAP in ARRA will bring in \$196.7 million FY 2008-09 and \$293.9 million in FY 2009-10.

While the majority of the Medicaid programs are appropriated as described above, there are certain programs that have statutory revenue appropriations or are funded with public certified expenditures. Without a change to these program's statutory funding formulas, the increase in the FMAP would

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

automatically be appropriated to these programs. These programs would see a temporary increase in funding for FY 2008-09 through FY 2010-11 but would have substantial funding decreases in FY 2011-12. The provisions in S.B. 09-264 provide that the State will retain all of the additional funding under ARRA. This is in compliance with the purpose clause in ARRA that stated the moneys are provided: (1) for fiscal relief to the States; and (2) to protect and maintain state Medicaid programs by helping to avert cuts to provider payment rates and benefits or services (although still allowed under ARRA) and to prevent eligibility reductions (prohibited under ARRA).

Senate Bill 09-264 increases the FMAP impact to the General Fund either through revenues or expenditures by additional General Fund revenue or offsets of \$21.6 million in FY 2008-09 and \$36.9 million in FY 2009-10.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-265: CONCERNING MEDICAID CHP+ PAYMENT TIMING

Prime Sponsors: Senator White and Representative Pommer

Bill Summary

This bill has three main provisions: (1) clarifies that the Medicare Modernization Act State Contribution Payment does not have to be paid before the date it is due; (2) provides that managed care capitation payments shall not be made before the first day of the month following the enrollment of the recipients; and (3) allows the Department to delay the last weekly payment cycles in FY 2009-10 to after July 1, 2010. This bill is anticipated to reduce expenditures in FY 2009-10 by \$87.9 million total funds (including \$35.6 million General Fund).

Fiscal Impacts

FY 2009-10 Expenditure Impacts	Delay Managed Care Payments	Shift Last Payment Cycle to FY 2010-11	Total
Medical Services Premiums	(14,102,731)	(43,345,287)	(57,448,018)
Mental Health Capitation Payments	(17,671,863)	0	(17,671,863)
Children's Basic Health Plan	<u>(12,845,625)</u>	<u>0</u>	<u>(12,845,625)</u>
Total Fund Appropriation Impact	(\$44,620,219)	(\$43,345,287)	(\$87,965,506)
General Fund	(15,332,958)	(20,272,591)	(35,605,549)
Cash Funds	(5,283,891)	(1,400,053)	(6,683,944)
Federal Funds	(24,003,369)	(21,672,644)	(45,676,013)

Background Information

Senate Bill 09-265 allows the Department to shift the payment date for managed care capitation from the middle of the current month to the first payment date of the following month. This provision will result in a one-time fiscal year savings when June 2010 capitation are paid in July 2010. The impacted programs from this provision are managed care entities providing services for the Medicaid acute care, long-term care, and mental health programs. Managed care entities providing services for the Children's Basic Health Plan will also be impacted.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Current statutory authority allows the Medicaid payment cycles to be disrupted if the State Controller and Office of State Planning and Budgeting determine that state revenue collections are insufficient to meet the payment claims and instruct the Department to delay the payments. This bill requires that the Department intentionally delay the last payment cycle in FY 2009-10 until after July 1, 2010. The bill provides authority for the Department to intentionally disrupt payments only in FY 2009-10. If future payment delays are necessary, statutory changes would be required.

Lastly, the bill provides clarifying language that the Department must pay the Medicare Modernization Act State Contribution according to the guidelines provided by the Centers for Medicare and Medicaid Services. However, nothing in the statute requires that the Department make the payment before the date the payment is due. In S.B. 09-187 (the Department's FY 2008-09 Supplemental) the Department's General Fund appropriation was reduced by \$7.3 million by delaying the June payment until July. Under this supplemental action, the Department still makes the payment within the grace period allowed by federal rule. However, at the request of the State Controller to provide clarifying language, this provision was included in S.B. 09-265.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-266: CONCERNING THE ELIGIBILITY OF NONCITIZENS FOR THE OLD AGE PENSION.

Prime Sponsors: Senator Tapia and Representative Pommer

Bill Summary

This bill resolves conflicting state statutory provisions for determining the eligibility of qualified aliens and sponsor responsibility requirements for Colorado's Old Age Pension program. It further brings the eligibility criteria for sponsored aliens into alignment with federal requirements for aliens to receive public assistance. The bill directs the county departments of social services to complete a benefit redetermination for any sponsored aliens receiving the Old Age Pension during FY 2009-10, and discontinue benefits for any person found to be non-eligible under the new provisions. Specifically:

- **Sections 1 and 2** of the bill establish the new eligibility criteria and resolve the conflicting state statutes;
- **Section 3** makes the bill effective on July 1, 2009 in order to align it with the beginning of the new fiscal year; and
- **Section 4** is a safety clause needed to allow for a July 1 effective date.

Fiscal Impact

The bill is currently estimated to result in a reduction of \$7.7 million in Old Age Pension cash assistance payments in FY 2009-10. This reduction in expenditures will result in a corresponding increase in the transfer from the Old Age Pension Fund to the General Fund for FY 2009-10.

Background Information

Colorado's Old Age Pension program provides assistance to qualified persons aged 60 or older who are living legally in the state. Section 3 of Article XXIV of the Colorado Constitution authorizes payments from the Old Age Pension Fund to U.S. citizens. Section 26-2-111.8 (3), C.R.S., authorizes payments from the Old Age Pension Fund to legal immigrants who meet the eligibility criteria. Current statute contains conflicting directives regarding eligibility for certain sponsored aliens.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

- Section 26-2-111.8 (3), C.R.S., specifies that legal immigrants must meet the eligibility criteria *including sponsor responsibility policies*. Sponsor responsibilities are specified in Section 26-2-137 (2) (a), C.R.S., and include "moral and financial commitments".
- Section 26-2-111 (2) (b), C.R.S., states "No person otherwise qualified shall be denied the old age pension by reason of the fact that relatives may be financially able to contribute to his support and maintenance." This conflicts with the above provision in the case where the sponsor of a non-citizen applying for OAP benefits is also a relative of the non-citizen.

Eligibility determination is performed by county departments of social services using the rules set forth by the State Board of Human Services and the state Department of Human Services. At present, the rules specify that sponsor income is considered if the sponsor is *not* a relative, but sponsor income is not considered if the sponsor *is* a relative.

Colorado's sponsor responsibility policy for the Old Age Pension program also conflicts with current federal statute. Colorado's policy ends sponsor responsibility after three years. Since 1997, federal policy provides for an open-ended period of responsibility, ending only after the alien has been gainfully employed for 40 calendar quarters. The federal policy explicitly states that the purpose of the this open-ended responsibility period is to keep sponsored aliens from receiving public assistance except under certain defined circumstances. For example, a sponsored alien who becomes disabled is eligible for benefits under federal policy.

There are approximately 4,000 sponsored aliens, whose sponsor is a relative, receiving Old Age Pension cash assistance (out of a total Old Age Pension population of about 24,500). The Department of Human Services has estimated that these individuals will receive more than 25.0 percent of the \$93.3 million in cash assistance benefits estimated to be paid in FY 2009-10. These persons receive a larger portion of the benefits than might be expected because many of them have no income when their sponsor's income is excluded, and so receive the maximum benefit grant. The maximum benefit for calendar year 2009 is \$699 per month.

JOINT BUDGET COMMITTEE BILL

SUMMARY OF S.B. 09-267:

CONCERNING THE PERCENTAGE OF COSTS THAT A COUNTY DEPARTMENT OF SOCIAL SERVICES PAYS FOR A CHILD WHO IS PLACED IN A RESIDENTIAL CHILD CARE FACILITY BY THE COUNTY DEPARTMENT, AND MAKING AN APPROPRIATION IN ASSOCIATION THEREWITH.

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

For children involved in the child welfare system who are placed in residential child care facilities, requires counties to contribute 20 percent, effective January 1, 2010. Under current statute, counties are required to pay 10 percent of these services in FY 2008-09 and FY 2009-10, with the county share increasing to 20 percent July 1, 2010; this bill moves the date for the higher contribution forward by six months.

Fiscal Impact

This is a JBC Committee bill and its fiscal impact is included in the JBC's appropriations package. As reflected in the appropriations clause, this bill provides for a decrease in the General Fund appropriation to the Department of Human Services for FY 2009-10 of \$4,028,564 and an increase in the cash funds appropriation to the Department from county share of the same amount.

Background Information

Federally-required Changes to Residential Child Care Programs: Current statute, which provides for a 10 percent county share for residential child care facility placements, reflects the State's efforts to hold counties harmless from the impacts of federally-imposed FY 2006-07 changes to system funding.

From FY 1994-95 through FY 2005-06, Colorado financed a significant portion of out-of-home child welfare and youth corrections community-based services through the Medicaid Residential Treatment Center (RTC) program. Federal authorities raised concerns about the program in 2005, and, after negotiation with federal authorities and action by the General Assembly to revise the budget and adopt H.B. 06-1395 (Residential Child Health Care), the Departments of Human Services and Health Care Policy and Financing implemented a new service delivery and billing model in FY 2006-07. This new system eliminated the prior RTC option and replaced it with the Therapeutic Residential Child Care Facility (TRCCF) program and the Psychiatric Residential Treatment Facilities (PRTF) program.

JOINT BUDGET COMMITTEE BILL

Among the various provisions of H.B. 06-1395 was a component that reduced the 20 percent county share for the TRCCF and PRTF residential child health care programs to the county's FY 2004-05 actual contribution for FY 2006-07 and FY 2007-08. Based on a proposal from the Department of Human Services and the Child Welfare Allocation Committee, S.B. 08-216 then provided that a 10 percent match rate be applied to all residential child care programs for FY 2008-09 and FY 2009-10.

Senate Bill 09-267 sunsets this provision six months early, so that the match rate for facility placements reverts to the standard 20 percent county share for child welfare services. The fiscal impact annualizes in FY 2010-11 to a reduction of \$8.1 million General Fund and a matching increase in local cash funds.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-268: CONCERNING CLARIFYING THE APPOINTMENT OF STATE-PAID PROFESSIONALS IN CASES INVOLVING CHILDREN.

Prime Sponsors: Senator Tapia and Representative Pommer

Bill Summary

The bill makes several clarifying changes concerning the appointment of state-paid professionals in cases involving children, including the following:

- **Sections 1 and 2** clarify that with respect to certain *domestic relations proceedings*, the court shall consider the combined income and assets of both parties before determining that a party is indigent. These sections also require the Chief Justice to implement policies and procedures relating to state payment of costs, fees, and disbursements for a child's legal representative (CLR) and for a child and family investigator (CFI).
- **Section 3** requires a court to make specific findings that the appointment of a guardian ad litem (GAL) in certain *delinquency cases* is necessary to serve the child's best interests, and clarifies that the appointment of a GAL in delinquency cases terminates at the conclusion of sentencing except in certain circumstances. This section also clarifies that the court may appoint a GAL in a *truancy case* when extraordinary and exceptional circumstances exist.

Fiscal Impact

This bill is estimated to reduce General Fund appropriations to the Branch by \$337,000 in FY 2009-10.

JOINT BUDGET COMMITTEE BILL

SUMMARY OF S.B. 09-269: CONCERNING ADJUSTMENT OF THE ALLOCATION OF TOBACCO LITIGATION SETTLEMENT MONEYS RECEIVED BY THE STATE DURING SPECIFIED FISCAL YEARS.

Prime Sponsors: Senator White and Representative Ferrandino

Bill Summary

This bill will, upon passage, transfer an estimated \$9.4 million of revenue that the state receives under the terms of the tobacco Master Settlement Agreement to the General Fund, thus providing more General Fund revenues to support FY 2008-09 General Fund expenditures.

More specifically, the bill:

1. Directs a \$7.4 million disputed tobacco settlement payment that was received in February 2009 to the General Fund and directs any other disputed payments received before July 2011 to the General Fund.
2. Caps the amount of tobacco settlement revenue allocated among tobacco settlement programs in FY 2009-10 at \$100 million, again directing the savings to the General Fund. The allocation of settlement revenues is governed by formulas in statute.
3. Delays for one year the one percentage point growth of the allocation of settlement moneys to the Nurse Home Visitor Program that is mandated in statute, while keeping funding for the program at its FY 2008-09 level.
4. Keeps funding for the AIDS Drug Assistance Program at its FY 2008-09 level.
5. Transfers \$1.0 million of the settlement revenue deposited in the General Fund to the Children's Basic Health Plan Trust.
6. Reduces Long Bill appropriations to various settlement-supported programs.

JOINT BUDGET COMMITTEE BILL

Fiscal Impact

The exact amount to be transferred to the General Fund will not be known until FY 2008-09 ends on June 30th, 2009, but Colorado receives the vast majority of its tobacco settlement payments in mid April, so a fairly precise estimate of revenue to the General Fund will be available shortly afterwards.

This bill makes the following changes to the appropriations that are contained in the introduced version of the FY 2009-10 Long Bill:

Allocations to Tier 1 Programs

Department / Program	Change to Appropriations in FY 2009-10 Long Bill, as introduced
Department of Education	
Read-to-achieve Grant Program	\$5,155,959
Department of Health Care Policy and Financing	
Comprehensive Primary and Preventive Care Grants Program	3,093,575
Children's Basic Health Plan Trust	24,748,602
State share of funding required for Children with Autism Act	<u>1,000,000</u>
Subtotal - HCPF	28,842,177
Department of Public Health and Environment	
AIDS and HIV Prevention Grant Program	1,996,443
Nurse Home Visitor Program	14,436,684
Ryan White AIDS Drug Assistance Program	3,609,171
Tony Gramscas Youth Services Program	<u>4,124,767</u>
Subtotal - CDPHE	24,367,065
Total of both columns	\$67,767,062

JOINT BUDGET COMMITTEE BILL

Allocations to Tier 2 Programs

Department	In Long Bill	New LB approp	What LB would have been
Department of Higher Education			
University of Colorado, Health Sciences Center	\$17,412,571	\$17,150,000	\$19,061,783
Department of Health Care Policy and Financing			
Children's Basic Health Plan Trust	1,776,793	1,750,000	1,945,080
Comprehensive Primary and Preventive Care Grants Program	3,020,548	2,975,000	3,306,636
Medicaid shortfalls at Children's Hospital	<u>355,359</u>	<u>350,000</u>	<u>389,016</u>
Subtotal - Department of Health Care Policy and Financing	5,152,700	5,075,000	5,640,732
Department of Human Services			
Offender Mental Health Services	4,264,303	4,200,000	4,668,192
Alcohol and Drug Abuse	<u>1,066,076</u>	<u>1,050,000</u>	<u>1,167,048</u>
Subtotal - Department of Human Services	5,330,379	5,250,000	5,835,240
Department of Personnel and Administration			
Supplemental State Health and Dental Contribution	1,599,114	1,575,000	1,750,572
Department of Public Health and Environment			
Colorado Immunization Program	1,421,434	1,400,000	1,556,064
Distributions to Local Health Agencies	2,487,510	2,450,000	2,723,112
Subtotal - Department of Public Health and Environment	6,041,095	5,950,000	6,613,272
Total	\$35,535,859	\$35,000,000	\$38,901,599

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-270: CONCERNING TOBACCO TAX INVESTMENT INCOME TRANSFERS.

Prime Sponsors: Senator Tapia and Representative Marostica

Bill Summary

This bill allows the interest earnings from the Amendment 35 Tobacco Tax revenues to be transferred to the State General Fund in FY 2008-09, FY 2009-10, FY 2010-11, and FY 2011-12.

Fiscal Impacts

The provisions of S.B. 09-270 are anticipated to increase General Fund revenue by \$5.0 million in FY 2008-09 and \$3.0 million in FY 2009-10.

Background Information

There are six cash funds established to receive revenues from the Amendment 35 Tobacco Taxes. Current law allows these funds to retain their interest and investment earnings. Under the provisions of S.B. 09-270, the interest earnings on these funds will be transferred to the General Fund. Table 1 below shows the estimated impact S.B. 09-270.

	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Health Care Expansion Fund	6,535,879	4,497,179	2,923,166	2,923,166
Health Disparities Grant Program Fund	163,936	144,986	94,241	94,241
Prevention, Detection and Early Treatment	1,563,463	997,075	648,099	648,099
Primary Care Fund	258,344	223,897	145,533	145,533
Tobacco Education Programs Fund	416,261	287,419	186,822	186,822
Tobacco Tax Cash Fund	119,886	67,400	43,810	43,810
Reduce Estimate for Impact from S.B. 09-271 (reduce due to other transfer bill)	0	0	(834,921)	0
Total*	9,057,769	6,217,956	3,206,750	4,041,671

*In order to be conservative, for budget balancing the recommendation only includes \$5.0 million in FY 2008-09 and \$3.0 million in FY 2009-10 to account that interest and investment earnings may have declined from the historical collections rate upon which the estimates in the table are made.

JOINT BUDGET COMMITTEE BILL

**SUMMARY OF S.B. 09-271:
CONCERNING THE USE OF TOBACCO REVENUES GENERATED UNDER SECTION 21 OF ARTICLE
X OF THE STATE CONSTITUTION IN A STATE FISCAL EMERGENCY, AND MAKING AN
APPROPRIATION THEREFOR.**

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

This bill is a companion to Senate Joint Resolution 09-35, which declares a state fiscal emergency and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose. This bill will only become law if S.J.R. 09-35 also becomes law.

This bill allows Amendment 35 moneys in the Tobacco Education Programs Fund, which supports Colorado's tobacco education, prevention and cessation program, and moneys in the Prevention, Early Detection and Treatment Fund, which supports Colorado's cancer, cardiovascular disease and pulmonary disease grant program, to be appropriated for any health-related purpose. Both of these grant programs are in the Department of Public Health and Environment.

The bill appropriates \$20 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) to support Medical Services Premiums. Of this appropriation, \$10 million is from the Tobacco Education Programs Fund and \$10 million is from the Prevention, Early Detection and Treatment Fund. This \$20 million cash fund appropriation allows the General Fund appropriation for Medical Services Premiums to be reduced by \$20 million, thus saving \$20 million of General Fund.

The Prevention, Early Detection and Treatment Fund has a large fund balance, sufficient to absorb the loss of \$10 million, it is unnecessary to reduce appropriations from the fund. The Tobacco Education Programs Fund has a large, but somewhat smaller fund balance that is not sufficient to fully absorb the loss of \$10 million. As a consequence, this bill also decreases the appropriation for Tobacco Education, Prevention, and Cessation Grants by \$6 million cash funds.

Because a declared state fiscal emergency only lasts for one year, this bill will only alter the distribution of Amendment 35 revenue for FY 2009-10. On July 1, 2010, the statutory allocation rules that are currently in effect will go back into force.

JOINT BUDGET COMMITTEE BILL

SUMMARY OF S.J.R. 09-035: CONCERNING THE DECLARATION OF A STATE FISCAL EMERGENCY PURSUANT TO SECTION 21 (7) OF ARTICLE X OF THE STATE CONSTITUTION.

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

This Joint Resolution declares a state fiscal emergency for FY 2009-10, which allows Amendment 35's tobacco tax revenues to be appropriated for any health-related purpose. Amendment 35 specifically provides for the declaration of such an emergency. It states that a resolution declaring the emergency must be approved by a two-thirds vote of both the House and the Senate and by the Governor. The emergency remains in effect for one year.

Normally, when there is no fiscal emergency, the bulk of Amendment 35 tobacco-tax revenues are allocated in precise percentages among (1) the Children's Basic Health Plan and Medicaid, (2) comprehensive primary care, (3) tobacco education and prevention programs, and (4) programs for the prevention, early detection, and treatment of cancer and cardiovascular and pulmonary disease. During a declared fiscal emergency, these rules are suspended and the revenues can be used for any health-related purpose in any proportions.

Fiscal Impact

This resolution by itself does not alter the allocation of Amendment 35 moneys. A companion bill in the Long Bill package, S.B. 09-271, *Emergency Use of Tobacco Tax Revenue*, uses \$20 million of Amendment 35 revenue to support health care programs in the Department of Health Care Policy and Financing. Because a declared fiscal emergency only lasts for one year, the changes to the allocation of tobacco-tax revenue in S.B. 09-271 will also only last for one year.

Background Information

Voters approved Amendment 35, Tobacco Taxes for Health Related Purposes, in November 2004. The amendment, which added Section 21 to Article X of Colorado's Constitution, imposed a \$6.40 tax on each 10-box carton of cigarettes sold in the state. The state began collecting the extra tobacco tax revenue mandated by the amendment the following January. House Bill 05-1262, working within the detailed revenue-distribution structure prescribed by the amendment, specified the programs that would receive the revenues.

The following table shows revenues from Amendment 35's tax since its inception, the percentage allocated to programs in each category, and the revenue received by each category.

JOINT BUDGET COMMITTEE BILL

Fiscal Year	Total Revenue	Children's Basic Health Plan and Medicaid	Comprehensive Primary Care	Tobacco Education Programs	Cancer, Cardiovascular, and Pulmonary Programs	Other
		46.0%	19.0%	16.0%	16.0%	3.0%
04-05	66.4	30.6	12.6	10.6	10.6	2.0
05-06	169.6	78.0	32.2	27.1	27.1	5.1
06-07	168.0	77.3	31.9	26.9	26.9	5.0
07-08	162.9	74.9	30.9	26.1	26.1	4.9
08-09*	161.4	74.3	30.7	25.8	25.8	4.8
09-10 *	153.5	70.6	29.2	24.6	24.6	4.6

*March 2009 Legislative Council Staff forecast. Amounts are in millions of dollars.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-272:

CONCERNING THE COLORADO HIGH COST SUPPORT MECHANISM, AND, IN CONNECTION THEREWITH, TRANSFERRING TO THE STATE TREASURE MONEYS ADMINISTERED UNDER THE DIRECTION OF THE PUBLIC UTILITIES COMMISSION FOR THE SUPPORT OF UNIVERSAL BASIC TELEPHONE SERVICE IN HIGH COST AREAS OF THE STATE.

Prime Sponsors: Senator White and Representative Pommer

Bill Summary

Senate Bill 09-272 authorizes the State Treasurer, on the bill's effective date, to transfer up to \$15 million from the High Cost Support Mechanism to the High Cost Support Fund (Fund). The Fund is exempted from the 16.5 percent reserve requirement due to this transfer.

Fiscal Impact

This bill reduces the reserves in the High Cost Support Mechanism by no more than \$15.0 million and increases the High Cost Administrative Fund by up to \$15.0 million.

Background Information

The High Cost Support Mechanism enables Colorado citizens who live in rural areas to receive affordable basic telephone services, and was moved out of the Treasury during the late 1990's for TABOR reasons. The Mechanism is funded through an assessment on utility companies. This bill does not bring the High Cost Support Mechanism back into the Treasury and does not impact the funding mechanism or increase the surcharge on telephone lines.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-273:

CONCERNING CHANGES IN THE LAWS GOVERNING PINNACOL ASSURANCE TO ALLOW THE STATE TO MAKE USE OF CERTAIN FUNDS AUTHORIZED BY STATUTE TO BE COLLECTED BY PINNACOL ASSURANCE, AND, IN CONNECTION THEREWITH, AUGMENTING STATE REVENUES BY REQUIRING THE TRANSMITTAL OF CERTAIN SURPLUS FUNDS OF PINNACOL ASSURANCE TO THE STATE TREASURY, CLARIFYING THE LAWS GOVERNING PINNACOL ASSURANCE'S FUNDS, AND MAKING AN APPROPRIATION.

Prime Sponsors: Senator White and Representative Marostica

Bill Summary

- **Section 1** requires Pinnacol Assurance (Pinnacol) to transmit, between July 1, 2009 and September 1, 2009, \$500.0 million to the State Treasury who shall credit the money to the General Fund. Pinnacol Assurance is also required to submit, on or before June 1, 2009, to the Joint Budget Committee and State Treasury a report detailing the method Pinnacol will use to transmit the money.
- **Section 2** clarifies that Pinnacol is a political subdivision of the State and is authorized only to offer workers' compensation insurance and will continue to be regulated by the Commissioner of Insurance in the Department of Regulatory Agencies.
- **Sections 3 and 4** strikes the language that prohibits the State from having a claim to any or all of Pinnacol's assets, liabilities, moneys and assets.
- **Section 5** appropriates a \$300.5 million of the money received from Pinnacol to the Department of Higher Education to offset the \$300.0 million General Fund cut recommended by the Joint Budget Committee.

Fiscal Impact

The fiscal impact of S.B. 09-273 is as follows:

- Transmit \$500.0 million from the surplus funds of Pinnacol Assurance
- Appropriate a total of \$588.9 million to the Department of Higher Education, of which \$300.5 million is General Fund from the funds transmitted by Pinnacol Assurance, and \$288.4 million is reappropriated funds.
- Leave the remaining \$199.5 million General Funds from the Pinnacol Assurance transfer in the General Fund with the intent of rebuilding the statutory reserve.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Background Information

House Bill 02-1135

Pinnacol Assurance was created in Section 8-45-101, C.R.S. This company is not a private company, but a political subdivision of the State. During the 2002 Session, H.B. 02-1135 made the following changes to the Pinnacol Statute:

- Changed the name of the Colorado Compensation Insurance Authority (CCIA) to Pinnacol Assurance (Pinnacol);
- Clarified that Pinnacol may only be dissolved by the General Assembly;
- Clarified that Pinnacol shall operate as a domestic mutual insurance company and cannot convert from a domestic mutual insurer into a domestic stock or other form of insurer;
- Clarified that all revenues, moneys and assets of Pinnacol belong solely to Pinnacol and the State has no claim to nor any interest in such revenues, moneys, and assets for any purpose;
- Prohibited Pinnacol from refusing to insure any Colorado employer or canceling any insurance policy due the amount of premium unless specifically authorized by law, making Pinnacol the workers' compensation insurer of last resort; and,
- Exempted Pinnacol's board of directors from posting copies of rate schedules.

Additionally H.B 02-1135 clarified that the State Treasurer would continue to control and invest moneys in the Pinnacol Assurance Fund until there was a reasonable surplus in the Fund, at which time the Fund would be transferred out of the State Treasury and into the custody of Pinnacol's board of directors. On November 30, 2004, Pinnacol was given investment authority, and the Fund was transferred out of the State Treasury, and, thus, over \$1.0 billion in Pinnacol assets were transferred from the State Treasury.

Pinnacol Statutory Reserve

Pinnacol is required to maintain a minimum surplus amount equivalent to the risk-based capital requirements set forth in Section 10-3-201, C.R.S. and Colorado Insurance Regulation 3-1-11.

As of December 31, 2008, the Company's minimum surplus amount was \$113.2 million. **As of December 31, 2008, the Company's actual surplus was \$698.0 million, which exceeded the minimum surplus amount by \$584.8 million.**

JOINT BUDGET COMMITTEE SUPPLEMENTAL BALANCING BILL

SUMMARY OF S.B. 09-274:

CONCERNING THE FINANCING OF THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH, AUTHORIZING APPROPRIATIONS FROM THE HIGHWAY USERS TAX FUND TO THE DIVISION OF MOTOR VEHICLES IN THE FISCAL YEARS 2008-09 AND 2009-10, REPEALING THE ALLOCATION OF FEES RELATING TO DRIVER'S LICENSES AND IDENTIFICATION CARDS TO THE HIGHWAY USERS TAX FUND AND CREDITING SUCH FEES TO THE LICENSING SERVICES CASH FUND, AND MODIFYING APPROPRIATIONS MADE TO THE DIVISION OF MOTOR VEHICLES IN THE FISCAL YEAR 2008-09 LONG APPROPRIATIONS BILL.

Prime Sponsors: Senator Keller and Representative Pommer

Bill Summary

For FY 2008-09, allows the use of funds in the Motorist Insurance Identification Account, a subaccount of the Highway Users Tax Fund, to fund the Division of Motor Vehicles; For FY 2008-09 and FY 2009-10 allows the use of the Highway Users Tax Fund "Off-the-Top" appropriation to fund the Division of Motor Vehicles; uses that funding to offset funds from the Licensing Services Cash Fund that can be for a transfer to the General Fund in FY 2009-10; starting July 1, 2011, diverts driver's license and identification card revenues that are now credited to the Highway Users Tax Fund and credits them to the Licensing Services Cash Fund; modifies appropriations made to the Division of Motor Vehicles in FY 2008-09; and provides an adjustment to the proposed Long Bill appropriation to the Division of Motor Vehicles for FY 2009-10.

Specifically, the bill makes the following changes:

- **Section 1** diverts the revenue from fees for instruction permits and minor driver's licenses that now is credited to the Highway Users Tax Fund (HUTF) to the Licensing Services Cash Fund.
- **Section 2** is a conforming amendment.
- **Section 3** diverts the revenue from fees for the issuance of driver's licenses that now is credited to the HUTF to the Licensing Services Cash Fund.
- **Section 4** diverts the revenue from fees for replacement of instruction permits, and minors driver's licenses that now is credited to the HUTF to the Licensing Services Cash Fund.
- **Section 5** is a conforming amendment.

JOINT BUDGET COMMITTEE SUPPLEMENTAL BALANCING BILL

- **Section 6** diverts the revenue from fees for identification cards that now is credited to the General Fund to the Licensing Services Cash Fund.
- **Section 7** diverts the revenue from fees for the issuance of commercial driver's licenses that now is credited to the HUTF to the Licensing Services Cash Fund.
- **Section 8** permits the use of funds in FY 2008-09 in the Motorist Insurance Identification subaccount of the HUTF to be used expenses incurred by the Division of Motor Vehicles, Driver and Vehicle Services.
- **Section 9** permits the use of funds in FY 2008-09 and FY 2009-10 in the HUTF "off-the-top" appropriation to be used for the expenses incurred by the Division of Motor Vehicles, Driver and Vehicle Services.
- **Section 10** is a conforming amendment.
- **Section 11** modifies the FY 2008-09 appropriation to the Department of Revenue.
- **Section 12** is the safety clause.

Fiscal Impact

Fiscal Year 2008-09

For FY 2008-09, the bill allows the use of \$765,000 of fund balance in the Motorist Insurance Identification Account of the HUTF to be expended in the Driver and Vehicle Services program to offset a like amount of funding from the Licensing Services Cash Fund. The bill also reduces the appropriation to the Motor Carrier Services division by \$130,000 cash funds from the HUTF "Off-the-Top" appropriation, and allows the use of those moneys, plus an additional \$519,381 of "off-the-top" moneys, to be expended in the Driver and Vehicle Services program. This increase is offset by a \$649,381 reduction in appropriation from the Licensing Services Cash Fund. These two adjustments, combined with fund balance in FY 2009-10, will permit a transfer of \$2.6 million from the Licensing Services Cash Fund in FY 2010-11 to the General Fund authorized in S.B. 09-279.

Fiscal Year 2009-10

For FY 2009-10, and future years, the bill allows for the Driver and Vehicle Services program to be supported by fee revenue from driver's licenses, commercial driver's licenses, learner's permits, minor driver's licenses, and identification cards issued by the Department. This change is anticipated to allow for a 12.9 million reduction in General Fund appropriations.

JOINT BUDGET COMMITTEE SUPPLEMENTAL BALANCING BILL

In addition, the bill would permit the appropriation of \$4.1 million of HUTF "off-the-top" appropriation for the Driver and Vehicle Services Program, allowing for an additional \$3.3 million reduction in General Fund appropriations (the difference of \$0.8 million is due to the pay date shift).

Table 1 details the estimated revenues and expenditures associated with refinancing the Driver and Vehicle Services program. Current projections indicate that cash revenues should fully support operations beginning in FY 2011-12. The amount of revenue generated for the Licensing Services Cash Fund in each year would reduce revenue to the HUTF.

Table 1 - Drivers License Revenue Offset By Diversion of Drivers License Fees from Highway Users Tax Fund to Licensing Services Cash Fund				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Documents Issued	1,074,250	1,384,025	1,678,018	1,702,868
Driver's license fees diverted from HUTF to LSCF	\$12,921,138	\$17,586,888	\$22,073,140	\$22,284,701
<u>General Fund Expenditures</u>				
DVS Personal Services	9,704,612	9,704,612	9,704,612	9,704,612
DVS Operating Expenses	1,214,937	1,214,937	1,214,937	1,214,937
Driver's License Documents	2,085,577	2,085,577	2,085,577	2,085,577
EDO Central appropriations (POTS)	4,612,078	4,750,440	4,892,954	5,039,742
New indirect costs (GF Offset)	2,408,128	2,480,372	2,408,128	2,408,128
One-Time Paydate shift	808,718	0	0	0
Total Expenditures (GF and additional LSCF)	\$20,834,050	\$21,459,072	\$20,306,208	\$20,452,996
One-time HUTF "Off-the-Top" funding	4,064,839	0	0	0
Shortfall in the Licensing Services Cash Fund to fully cash fund Driver and Vehicle Services	(\$3,848,073)	(\$3,872,184)	\$0	\$0

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-275:

CONCERNING THE TEMPORARY ELIMINATION OF THE ABILITY OF ANY VENDOR TO RETAIN ANY AMOUNT OF STATE SALES TAX REVENUES TO COMPENSATE FOR THE VENDOR'S EXPENSES INCURRED IN THE COLLECTION AND REMITTANCE OF THE TAX REVENUES TO THE STATE.

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

The bill eliminates the fee retail vendors are allowed to retain from their collections of sales taxes on behalf of the State. The fee is to compensate the vendor for the expenses incurred in the collecting and remitting of sales taxes.

- **Section 1** eliminates the vendor fee for the period from July 1, 2009 to June 30, 2011, and provides that vendors shall not be liable for penalties or interest for an error made in connection with this change for returns made prior to August 1, 2009.
- **Section 2** provides a safety clause so that the bill can go into effect.

Fiscal Impact

Elimination of the vendor fee would increase State General Fund revenues by \$68.8 million. S.B. 09-212, which became law in March, reduced the fee to 1.35% for vendors required to file sales tax reports monthly. This change resulted in an increase of \$37.7 million. This bill would increase state revenues by another \$31.1 million in FY 2009-10. The Department of Revenue will incur expenses of approximately \$250,000 General Fund to print and mail new sales tax instructions and payment coupons.

Background Information

Prior to the passage of S.B. 09-212, vendors were permitted to retain 3.33 percent of the sales taxes they collected as compensation for the expenses incurred in the collection and remittance of sales taxes for the state. S.B. 09-212 reduced that percentage to 1.35 percent for vendors who are required to file on a monthly basis. This bill would eliminate, for all vendors, the vendor fee, but shortens the period of time for which the reduced vendor fee will be in effect. The elimination of the vendor fee will now end on June 30, 2011, while the reduced fee had previously been in effect until December 31, 2011.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-276:

CONCERNING THE PROPERTY TAX EXEMPTIONS FOR QUALIFYING SENIORS AND DISABLED VETERANS, AND IN CONNECTION THEREWITH, LOWERING FOR SPECIFIED PROPERTY TAX YEARS THE MAXIMUM AMOUNT OF ACTUAL VALUE OF THE PRIMARY OWNER-OCCUPIED RESIDENCE OF A QUALIFYING SENIOR OR A QUALIFYING DISABLED VETERAN THAT IS PARTLY EXEMPT FROM PROPERTY TAXATION, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Prime Sponsors: Senator White and Representative Pommer

Bill Summary

For property tax years commencing on or after January 1, 2009, but before January 1, 2011, reduces the maximum amount of actual value of the primary owner-occupied residence of a qualifying senior or a disabled veteran that is partly exempt from property taxation from \$200,000 to \$0. The bill modifies the appropriation that is currently reflected in the FY 2009-10 Long Bill.

- **Section 1** reduces the value of the exemption that can be claimed by a qualifying senior or disabled veteran from 50 percent of the first \$200,000 to 50 percent of \$0 for property tax years beginning January 1, 2009 and January 1, 2010.
- **Section 2** adjusts the appropriation reflected in the FY 2009-10 Long Bill, reducing the appropriation by \$91.4 million.
- **Section 3** is the Safety Clause.

Fiscal Impact

The most recent Legislative Council Staff economic forecast indicates that the State's reimbursement of local governments for property taxes foregone by qualifying seniors or disabled veterans would have been \$91.4 million in FY 2009-10 and \$97.6 million in FY 2010-11. These expenditures will be \$0 for those two years.

Background Information

Article X, Section 3.5 of the Colorado Constitution, approved by voters in November 2000 and implemented through Sections 39-3-201 to 208, C.R.S., grants a property tax exemption to qualifying senior citizens. Pursuant to Referendum E, passed in 2006, this property tax exemption was extended to qualifying disabled veterans. This provision exempts 50 percent of the first

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

\$200,000 of actual home value. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues.

The exemption applies if (1) the property owner-occupier is sixty-five years of age or older (as of the assessment date) and has occupied the property as a primary residence for the past ten years; (2) the owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for the exemption; or (3) the owner-occupier is a disabled veteran (100 percent permanent service-connected disability) as of the assessment date.

The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation. For 2002, the first year this exemption was available, the exemption was limited to the first \$200,000 of actual residence value. For 2003, 2004, and 2005, the General Assembly lowered this amount to \$0, eliminating the associated state expenditures for fiscal years 2003-04, 2004-05, and 2005-06.

Payments are subject to the TABOR limitation of fiscal year spending, but are not subject to the statutory six percent limit on General Fund appropriations.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-277: CONCERNING THE GENERAL FUND RESERVE REQUIRED FOR THE 2009-10 STATE FISCAL YEAR.

Prime Sponsors: Senator Tapia and Representative Marostica

Bill Summary

This bill reduces the statutorily required General Fund reserve from four percent to two percent of the amount appropriated for expenditure from the General Fund for FY 2009-10.

Fiscal Impact

This bill decreases the required statutory reserve to two percent, an approximate reduction of \$149.4 million for FY 2009-10.

Background Information

Section 24-75-201.1 (1)(d), C.R.S., requires a four percent reserve based on the amount appropriated for expenditure from the General Fund in a given fiscal year. This bill will reduce the required reserve for FY 2009-10 to two percent. Without further statutory change, the required reserve for FY 2010-11 would return to four percent. This bill only impacts the required reserve for FY 2009-10.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-278:

**CONCERNING THE AUGMENTATION OF THE GENERAL FUND DURING SPECIFIED FISCAL YEARS
WITH REVENUE THAT WOULD OTHERWISE BE TRANSFERRED TO FUND THE CAPITAL
CONSTRUCTION NEEDS OF THE STATE.**

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

This bill eliminates, for FY 2008-09 and FY 2009-10 only, the statutory requirement that surplus General Fund be transferred to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund (CCF). These provisions are commonly referred to as the "SB97-1 diversion" and the "one-thirds/two-thirds transfer".

Fiscal Impact

This bill eliminates the statutorily required transfer of surplus General Fund to the HUTF and CCF. The impact of the bill is dependent on the anticipated level of any surplus. Based on the Joint Budget Committee's budget package and the Legislative Council Staff March Revenue Forecast, there would be no impact in FY 2008-09 as there would be no surplus in excess of the statutorily required reserve. In FY 2009-10, the result would be the elimination of an \$84.5 million diversion to the HUTF. The \$84.5 million would remain in reserve in the General Fund in FY 2009-10 for flexibility in that fiscal year or, if not used, carry over to FY 2010-11.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-279: CONCERNING THE AUGMENTATION OF THE GENERAL FUND THROUGH TRANSFERS OF CERTAIN MONEYS.

Prime Sponsors: Senator Tapia and Representative Pommer

Bill Summary

For purposes of augmenting General Fund revenues for FY 2008-09, FY 2009-10 and FY 2010-11, this bill requires the State Treasurer to transfer funds from various cash funds to the General Fund. Such transfers are summarized in the following table:

Section of Bill	Name of Fund	Department/Program Area: Description of Transfer	Total Transfer for FY 2008-09 and FY 09-10
1	Major Medical Insurance Fund	<i>Department of Labor and Employment:</i> Transfer \$26.5 million to the General Fund in FY 2009-10.	26,500,000
2	Local Government Limited Gaming Impact Fund	<i>Department of Local Affairs:</i> Transfer \$100,000 to the General Fund in FY 2008-09.	100,000
3	Court Security Cash Fund	<i>Judicial Department:</i> Transfer \$500,000 to the General Fund in FY 2009-10.	500,000
4	Offender Services Fund	<i>Judicial Department:</i> Transfer \$2.5 million to the General Fund in FY 2009-10.	2,498,439
5	Drug Offender Surcharge Fund	<i>Judicial Department:</i> Transfer \$1.4 million to the General Fund in FY 2009-10.	1,360,000
6	Performance-based Collaborative Management Incentive Cash Fund	<i>Department of Human Services:</i> Transfer \$300,000 to the General Fund in FY 2008-09.	300,000
7	Risk Management Fund	<i>Department of Personnel and Administration:</i> Transfer \$10.0 million to the General Fund in FY 2008-09.	10,010,599
8	Self-Insured Property Fund	<i>Department of Personnel and Administration:</i> Transfer \$1.3 million to the General Fund in FY 2008-09.	1,295,055

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section of Bill	Name of Fund	Department/Program Area: Description of Transfer	Total Transfer for FY 2008-09 and FY 09-10
9	State Workers' Compensation Account	<i>Department of Personnel and Administration:</i> Transfer \$10.3 million to the General Fund in FY 2008-09.	10,316,060
10	Waste Tire Cleanup Fund	<i>Department of Local Affairs:</i> Transfer \$150,000 to the General Fund in FY 2008-09.	150,000
11	Building Regulation Fund	<i>Department of Local Affairs:</i> Transfer \$1.1 million to the General Fund in FY 2008-09.	1,101,349
12	Capital Construction Fund	<i>Department of Higher Education / Capital Construction:</i> Transfer \$28.1 million to the General Fund in FY 2009-10.	28,054,476
13	Controlled Maintenance Trust Fund	<i>Department of Higher Education/Capital Construction:</i> Transfer \$803,610 to the General Fund in FY 2009-10.	803,610
14	Hazardous Substance Response Fund	<i>Department of Public Health and Environment:</i> Transfer \$10.0 million to the General Fund in FY 2008-09. Transfer \$5.0 million to the General Fund in FY 2009-10.	15,000,000
15	Waste Tire Recycling Development Fee Cash Fund	<i>Department of Local Affairs:</i> Transfer \$500,000 to the General Fund in FY 2008-09.	500,000
16	Short-term Grants for Innovative Health Programs	<i>Tobacco:</i> Transfer \$1.1 million to the General Fund in FY 2008-09.	1,100,000
17	Housing Rehabilitation Revolving Fund	<i>Department of Local Affairs:</i> Transfer \$1.3 million to the General Fund in FY 2008-09.	1,284,000
18	Moffat Tunnel Cash Fund	<i>Department of Local Affairs:</i> Transfer \$86,758 to the General Fund in FY 2008-09.	86,758
19	Local Government Mineral Impact Fund	<i>Department of Local Affairs:</i> Transfer \$1.0 million to the General Fund in FY 2008-09.	1,000,000
20	Unclaimed Property Trust Fund	<i>Treasury Department:</i> Transfer \$50.0 million to the General Fund in FY 2008-09. Transfer \$25.0 million to the General Fund in FY 2010-11.	50,000,000

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section of Bill	Name of Fund	Department/Program Area: Description of Transfer	Total Transfer for FY 2008-09 and FY 09-10
21	Severance Tax Fund	<i>Department of Natural Resources:</i> Transfer \$15.0 million to the General Fund in FY 2008-09. Transfer \$27.0 million to the General Fund in FY 2009-10.	42,000,000
22	Local Government Severance Tax Fund	<i>Department of Local Affairs:</i> Transfer \$7.5 million to the General Fund in FY 2008-09.	7,500,000
23	Human Services Low-Income Energy Assistance Fund	<i>Department of Human Services:</i> Transfer \$3.0 million to the General Fund in FY 2008-09.	3,000,000
24	High Cost Administrative Fund	<i>Department of Regulatory Agencies:</i> Transfer \$15.0 million to the General Fund in FY 2009-10. This transfer is contingent on the passage of S.B. 09-272.	15,000,000
25	Licensing Services Cash Fund	<i>Treasury Department:</i> Transfer \$2.6 million to the General Fund in FY 2009-10. This transfer is contingent on the passage of S.B. 09-276.	2,589,894
26	Effective date.		
27	Safety clause.		
FY 2008-09 Total Transfers			\$112,743,821
FY 2009-10 Total Transfers			\$109,306,419
FY 2010-11 Total Transfers			\$25,000,000
Total Transfers For FY 2008-09 and FY 2009-10			\$222,050,240

All of the transfers would occur on the effective date of the act, with the following exceptions:

Major Medical Insurance Fund:	March 31, 2010
Court Security Cash Fund:	July 1, 2009
Offender Services Fund:	July 1, 2009
Drug Offender Services Fund:	July 1, 2009
Capital Construction Fund:	July 1, 2009
Controlled Maintenance Trust Fund:	July 1, 2009
Hazardous Substance Response Fund (\$5.0 million)	July 1, 2009

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Unclaimed Property Trust Fund (\$25.0 million)
 Perpetual Base Account
 High Cost Administrative Fund:
 Licensing Services Cash Fund

January 3, 2011
 July 1, 2009, June 30, 2010
 July 31, 2009
 June 15, 2009

APPENDIX TO CASH FUND TRANSFERS TO THE GENERAL FUND

Please note that the cash fund transfers are ordered by the following convention:

Bill section number -- Fund Name -- Transfer Amount

Impacted State Agency

Section 1 -- Major Medical Insurance Fund -- \$26,500,000

Department of Labor

	Major Medical Insurance Fund JBC Recommendation			
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$156,499,249	\$183,499,249	\$140,999,249	\$141,499,249
Revenues	40,000,000	40,000,000	40,000,000	40,000,000
Expenditures	<u>(13,000,000)</u>	<u>(13,000,000)</u>	<u>(13,000,000)</u>	<u>(13,000,000)</u>
Ending FY Balance without transfer	\$183,499,249	\$210,499,249	\$167,999,249	\$168,499,249
S.B. 09-208 Transfer	0	(69,500,000)	0	0
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(26,500,000)</u>	<u>0</u>
Ending Balance after transfer	\$183,499,249	\$140,999,249	\$141,499,249	\$168,499,249
<i>Fee Impact:</i> A surcharge is paid by every captive insurance company, insurance carrier including Pinnacol Assurance, every mutual company or insurance company pursuant to Section 8-46-102 (2) (a) (I), self-insured employers also pays the surcharge, pursuant to Section 8-46-102 (2) (c), C.R.S.				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 2 -- Local Government Limited Gaming Impact Fund -- \$100,000

Department of Local Affairs

Local Government Limited Gaming Impact Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$12,260,477	\$13,455,987	\$9,606	\$7,379,586
Revenues	6,538,460	6,966,339	7,369,980	7,874,054
Expenditures	<u>(5,342,950)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending FY Balance <i>without</i> transfer	\$13,455,987	\$20,422,326	\$7,379,586	\$15,253,640
S.B. 09-208 Transfer	0	(950,000)	0	0
Proposed Transfer	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>
Ending Balance <i>after</i> transfer	\$13,455,987	\$19,372,326	\$7,379,586	\$15,253,640
Commitments (Informational)	0	(19,362,720)	0	0
Ending Liquid Balance after Commitments (Informational)	\$13,455,987	\$9,606	\$7,379,586	\$15,253,640
<i>Fee Impact:</i> None. The Fund receives 6.5 percent of the total adjusted gross limited gaming proceeds (after administrative expenses).				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 3 -- Court Security Cash Fund -- \$500,000

Judicial Department

Court Security Cash Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$2,363,329	\$818,707	\$124,085
Revenues	2,707,636	2,900,000	3,000,000	3,100,000
Expenditures	<u>(344,307)</u>	<u>(2,944,622)</u>	<u>(3,194,622)</u>	<u>(3,194,622)</u>
Ending FY Balance without transfer	\$2,363,329	\$2,318,707	\$624,085	\$29,463
S.B. 09-208 Transfer	0	(1,500,000)	0	0
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(500,000)</u>	<u>0</u>
Ending FY Balance after transfer	\$2,363,329	\$818,707	\$124,085	\$29,463
<i>Fee Impact:</i> No impact on existing fees. Fund consists of filing fees and docket fees paid by individuals using the court system, and those who violate traffic laws				

Section 4 -- Offender Services Fund -- \$2,498,439

Judicial Department

Offender Services Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$6,227,078	\$8,365,847	\$7,299,140	\$2,012,980
Projected Revenues	10,723,009	10,830,239	11,371,751	12,622,643
Expenditures	<u>(8,584,240)</u>	<u>(11,646,946)</u>	<u>(14,159,472)</u>	<u>(14,435,315)</u>
Ending FY Balance without transfer	\$8,365,847	\$7,549,140	\$4,511,419	\$200,308
S.B. 09-208	0	(250,000)	0	0
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(2,498,439)</u>	<u>0</u>
Ending FY Balance after transfer	\$8,365,847	\$7,299,140	\$2,012,980	\$200,308
<i>Fee Impact:</i> No impact on existing fees. Fund consists of supervision fees paid by offenders on probation.				

Section 5 --Drug Offender Surcharge Fund -- \$1,360,000

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Judicial Department

Drug Offender Surcharge Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$3,005,884	\$2,851,059	\$3,327,622	\$303,568
Projected Revenues	4,862,410	4,965,668	5,064,981	5,216,930
Expenditures	(5,017,235)	(4,337,764)	(5,369,035)	(5,369,035)
Ending FY Balance without transfer	\$2,851,059	\$3,478,963	\$3,023,568	\$151,463
S.B. 09-208 Transfer	0	(151,341)	0	0
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(1,360,000)</u>	<u>0</u>
Ending FY Balance after transfer	\$2,851,059	\$3,327,622	\$303,568	\$151,463
<i>Fee Impact:</i> No impact on existing fees. Fund consists of surcharges paid by drug offenders.				

Section 6 -- Performance-based Collaborative Management Incentives Cash Fund -- \$300,000

Department of Human Services

Collaborative Management Incentives Cash Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate*
Beginning FY Balance	\$3,543,493	\$3,070,676	\$1,380,313	\$150
Revenues	2,686,172	2,175,337	2,175,337	2,175,337
Expenditures	(3,158,989)	(3,565,700)	(3,555,500)	(2,175,337)
Ending FY Balance without transfer	\$3,070,676	\$1,680,313	\$150	\$150
Recommended Transfer	0	<u>(300,000)</u>	<u>0</u>	0
Ending FY Balance after transfer	\$3,070,676	\$1,380,313	\$150	\$150
<i>Fee Impact:</i> None.				

*Assumes FY 2010-11 spending reduction to level consistent with revenue stream

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 7 -- Risk Management Fund -- \$10,010,599

Department of Personnel and Administration

	Risk Management Fund JBC Recommendation			
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$10,670,770	\$12,856,385	\$3,302,314	\$3,302,314
Revenues	10,073,159	11,007,985	11,152,888	11,409,124
Expenditures	<u>(7,887,544)</u>	<u>(10,551,457)</u>	<u>(11,152,888)</u>	<u>(11,409,124)</u>
Ending FY Balance without transfer	\$12,856,385	\$13,312,913	\$3,302,314	\$3,302,314
Proposed Transfer	<u>0</u>	<u>(10,010,599)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$12,856,385	\$3,302,314	\$3,302,314	\$3,302,314
<i>Fee Impact:</i> None. The State's liability program is self-insured. The Risk Management Fund collects fees from state agencies to pay liability claims and expenses brought against the state. The program provides coverage to state agencies and employees for tort and federal claims, including those arising out of the scope of employment.				

Section 8 --Self-Insured Property Fund -- \$1,295,055

Department of Personnel and Administration

	Self-Insured Property Fund JBC Recommendation			
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$2,543,690	\$3,079,764	\$2,368,000	\$2,368,000
Projected Revenues	9,673,224	10,975,224	9,359,173	9,639,672
Expenditures	<u>(9,137,150)</u>	<u>(10,391,933)</u>	<u>(9,359,173)</u>	<u>(9,639,672)</u>
Ending FY Balance without transfer	\$3,079,764	\$3,663,055	\$2,368,000	\$2,368,000
Recommended Transfer	<u>0</u>	<u>(1,295,055)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$3,079,764	\$2,368,000	\$2,368,000	\$2,368,000
<i>Fee Impact:</i> None. The State's property program collects fees from state agencies to pay for commercial insurance and associated deductibles for insurance coverage for state properties.				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 9 -- State Workers' Compensation Account -- \$10,316,060

Department of Personnel and Administration

State Workers' Compensation Account JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$27,809,874	\$22,945,438	\$9,052,244	\$9,122,201
Revenues	30,057,556	33,436,796	41,723,263	42,899,637
Expenditures	<u>(34,921,992)</u>	<u>(37,013,930)</u>	<u>(41,653,306)</u>	<u>(42,899,637)</u>
Ending FY Balance without transfer	\$22,945,438	\$19,368,304	\$9,122,201	\$9,122,201
Proposed Transfer	<u>0</u>	<u>(10,316,060)</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$22,945,438	\$9,052,244	\$9,122,201	\$9,122,201
<i>Fee Impact:</i> None. The State is self-insured for workers' compensation claims. The Workers' Compensation Account collects fees from state agencies to cover medical and indemnity claims brought against the state.				

Section 10 -- Waste Tire Cleanup Fund -- \$150,000

Department of Local Affairs

Waste Tire Cleanup Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$2,363,329	\$2,168,707	\$2,368,707
Revenues	2,707,636	2,900,000	2,600,000	2,600,000
Expenditures	<u>(344,307)</u>	<u>(2,944,622)</u>	<u>(2,400,000)</u>	<u>(2,600,000)</u>
Ending FY Balance without transfer	\$2,363,329	\$2,318,707	\$2,368,707	\$2,368,707
Proposed Transfer	<u>0</u>	<u>(150,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$2,363,329	\$2,168,707	\$2,368,707	\$2,368,707
<i>Fee Impact:</i> None. Fees are set in statute. Pursuant to Section 25-17-202, C.R.S., a total of \$1.50 in fees are to be collected for each tire disposed of in Colorado. This amount includes a recycling development fee (\$0.75). Of this amount, two-thirds of revenues are allocated to the Waste Tire Cleanup Fund, which is administered by the Department, pursuant to Section 24-32-114, C.R.S.				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 11 -- Building Regulation Fund -- \$1,101,349

Department of Local Affairs

	Building Regulation Fund JBC Recommendation			
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$1,522,597	\$1,618,267	\$398,013	\$347,430
Revenues	1,394,034	1,348,840	1,348,840	1,348,840
Expenditures*	(1,298,364)	(1,467,745)	(1,399,423)	(1,433,584)
Ending FY Balance without transfer	\$1,618,267	\$1,499,362	\$347,430	\$262,686
Recommended Transfer	0	<u>(1,101,349)</u>	<u>0</u>	0
Ending FY Balance after transfer	\$1,618,267	\$398,013	\$347,430	\$262,686
Fee Impact: Registration fees are collected from installers and sellers of manufactured homes, pursuant to Sections 24-32-3315 (5) and 3323 (3), C.R.S.				

*Expenditures for FY 2010-11 are the average of FY 2008-09 and FY 2009-10.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 12 -- Capital Construction Fund -- \$28,054,476

Capital Construction

Capital Construction Fund JBC Recommendation		
	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$206,000	\$0
Projected Revenues	107,133,300	2,684,165
Expenditures	<u>(79,284,824)</u>	<u>0</u>
Ending FY Balance without transfer	\$28,054,476	\$2,684,165
Recommended Transfer	<u>(28,054,476)</u>	<u>0</u>
Ending FY Balance after transfer	\$0	\$2,684,165
<i>Fee Impact:</i> None. The sources of FY 2009-10 revenue include:		
Sentencing bills	\$1,976,068	
One-third of the FY 2007-08 excess General Fund reserve	14,482,333	
Interest	8,100,000	
Reversions	452,259	
Freezing previously approved projects	<u>82,122,640</u>	
	\$107,133,300	

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 13 -- Controlled Maintenance Trust Fund -- \$803,610

Capital Construction

Controlled Maintenance Trust Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$30,618	\$528,263	\$995,879	\$192,269
Projected Revenues	2,335,317	6,095,582	0	0
Expenditures	<u>(1,837,672)</u>	<u>(5,627,966)</u>	<u>0</u>	<u>0</u>
Ending FY Balance without transfer	\$528,263	\$995,879	\$995,879	\$192,269
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(803,610)</u>	<u>0</u>
Ending FY Balance after transfer	\$528,263	\$995,879	\$192,269	\$192,269
<i>Fee Impact:</i> None. The primary source of revenue to the fund is General Fund transfers and appropriations.				

Section 14 -- Hazardous Substance Response Fund -- \$15,000,000

Department of Public Health and Environment

Hazardous Substance Response Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$37,759,000	\$40,639,257	\$14,948,618	\$10,532,040
Revenues	5,348,332	4,496,751	4,349,707	4,352,921
Expenditures	<u>(2,468,075)</u>	<u>(2,718,873)</u>	<u>(3,766,285)</u>	<u>(4,280,856)</u>
Ending FY Balance without transfer	\$40,639,257	\$42,417,135	\$15,532,040	\$10,604,105
S.B. 09-208 Transfer	<u>0</u>	<u>(17,468,517)</u>	<u>0</u>	<u>0</u>
Proposed Transfer	<u>0</u>	<u>(10,000,000)</u>	<u>(5,000,000)</u>	<u>0</u>
Ending Balance after transfer	\$40,639,257	\$14,948,618	\$10,532,040	\$10,604,105
<i>Fee Impact:</i> Fees primarily paid by businesses for the disposal of solid waste (primarily by trash companies).				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 15 -- Waste Tire Recycling Development Fee Cash Fund -- \$500,000

Department of Local Affairs

Waste Tire Recycling Development Fee Cash Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$218,725	\$103,954	\$103,954	\$103,954
Revenues	3,121,958	3,000,000	0	0
Expenditures	<u>(3,236,729)</u>	<u>(2,500,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance without transfer	\$103,954	\$603,954	\$103,954	\$103,954
Recommended Transfer	<u>0</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$103,954	\$103,954	\$103,954	\$103,954
<p><i>Fee Impact:</i> None. Fees are set in statute. Pursuant to Section 25-17-202, C.R.S., a total of \$1.50 in fees are to be collected for each tire disposed of in Colorado. This amount includes a recycling development fee (\$0.75). These fee revenues are credited to the Waste Tire Recycling Development Cash Fund. Two-thirds of revenues are allocated to the Waste Tire Cleanup Fund, which is administered by the Department, pursuant to Section 24-32-114, C.R.S. Of the remaining revenues, 60 percent is transferred to the Advanced Technology Fund (moneys in this fund are now continuously appropriated to the Pollution Prevention Advisory Board through the Department of Public Health and Environment), and 40 percent is transferred to the Innovative Higher Education Research Fund (moneys in this fund are subject to annual appropriation for use by the Higher Education Competitive Research Authority).</p>				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 16 -- Short-term Grants for Innovative Health Programs -- \$1,100,000

Tobacco

Short-Term Innovative Health Program Grant Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$209,265	\$0	\$1,143,930
Revenues	1,042,205	6,205,054	1,143,930	1,500,000
Expenditures	<u>(832,940)</u>	<u>(5,314,319)</u>	<u>0</u>	<u>0</u>
Ending FY Balance without transfer	\$209,265	\$1,100,000	\$1,143,930	\$2,643,930
Recommended Transfer	<u>0</u>	<u>(1,100,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$209,265	\$0	\$1,143,930	\$2,643,930
<i>Fee Impact: None.</i>				

Section 17 -- Housing Rehabilitation Revolving Fund -- \$1,284,000

Department of Local Affairs

The State Housing Board is required to use the Revolving Fund to pay into the fund any moneys made available by the federal, state, or local government for the purpose of assisting in the provision of housing facilities for low- and moderate-income families. All moneys held in the revolving fund, including but not limited to income or interest earned by, or any other increment to, such fund shall be used by the board for its general purposes. Any surplus moneys in the fund may be deposited in the General Fund. The existing fund balance represents moneys that could otherwise be reverted to the General Fund at the end of the year. *Fee Impact: None.*

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 18 -- Moffat Tunnel Cash Fund -- \$86,758

Department of Local Affairs

Moffat Tunnel Cash Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$60,000	\$86,757	\$0	\$0
Revenues	26,770	25,357	0	0
Expenditures	<u>(13)</u>	<u>(25,356)</u>	<u>0</u>	<u>0</u>
Ending FY Balance without transfer	\$86,757	\$86,758	\$0	\$0
Recommended Transfer	<u>0</u>	<u>(86,758)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$86,757	\$0	\$0	\$0
<i>Fee Impact:</i> None. The Department is provided custodial authority of the Moffat Tunnel Improvement District, pursuant to Section 32-8-124.7 (3), C.R.S. Revenues to the fund are from annual leases for use of the tunnel.				

Section 19 -- Local Government Mineral Impact Fund -- \$1,000,000

Department of Local Affairs

Local Government Mineral Impact Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$51,973,370	\$1,265,095	\$2,265,095
Revenues	0	96,285,300	52,250,100	61,924,500
Expenditures	<u>0</u>	<u>(145,993,575)</u>	<u>(51,250,100)</u>	<u>(61,924,500)</u>
Ending FY Balance without transfer	\$0	\$2,265,095	\$2,265,095	\$2,265,095
Recommended Transfer	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$0	\$1,265,095	\$2,265,095	\$2,265,095
<i>Fee Impact:</i> None. This fund receives 41.7 percent of non-bonus federal mineral leasing distributions from the Mineral Leasing Fund.				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 20 -- Unclaimed Property Trust Fund -- \$50,000,000

Treasury Department

Unclaimed Property Trust Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$140,296,136	\$168,551,484	\$117,651,484	\$120,151,484
Revenues	49,521,779	32,200,000	32,400,000	32,300,000
Expenditures	<u>(21,266,431)</u>	<u>(33,100,000)</u>	<u>(29,900,000)</u>	<u>(38,400,000)</u>
Ending FY Balance without transfer	\$168,551,484	\$167,651,484	\$120,151,484	\$114,051,484
Recommended Transfer	<u>0</u>	<u>(50,000,000)</u>	<u>0</u>	<u>(25,000,000)</u>
Ending FY Balance after transfer	\$168,551,484	\$117,651,484	\$120,151,484	\$89,051,484
<i>Fee Impact: None</i>				

Section 21 -- Severance Tax Fund -- \$42,000,000

Department of Natural Resources

Perpetual Base Account of the Severance Tax Trust Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$43,702,079	\$18,058,960	\$8,145,458	\$762,967
Revenues	51,107,081	70,736,498	20,617,509	55,822,653
Expenditures	<u>(76,750,200)</u>	<u>(45,650,000)</u>	<u>(1,000,000)</u>	<u>(45,650,000)</u>
Ending FY Balance without transfer	\$18,058,960	\$43,145,458	\$27,762,967	\$10,935,620
S.B. 09-208 Transfer to General Fund	0	(20,000,000)	0	
Proposed Transfer	<u>0</u>	<u>(15,000,000)</u>	<u>(27,000,000)</u>	<u>0</u>
Ending Balance after transfer	\$18,058,960	\$8,145,458	\$762,967	\$10,935,620
<i>Fee Impact: None. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). The Perpetual Account was created to directly fund or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan fund, as such no permanent programs depend on the fund.</i>				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 22 -- Local Government Severance Tax Fund -- \$7,500,000

Department of Local Affairs

Local Government Severance Tax Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$145,696,537	\$60,076,729	\$9,769,473
Revenues	0	124,500,000	20,250,000	86,700,000
Expenditures	<u>0</u>	<u>(202,619,808)</u>	<u>(70,557,256)</u>	<u>(78,057,256)</u>
Ending FY Balance without transfer	\$0	\$67,576,729	\$9,769,473	\$18,412,217
Recommended Transfer	<u>0</u>	<u>(7,500,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$0	\$60,076,729	\$9,769,473	\$18,412,217
<i>Fee Impact:</i> None. This fund receives 35 percent of severance tax dollars received.				

Section 23 -- Human Services Low-Income Energy Assistance Fund -- \$3,000,000

Department of Human Services

Human Services Low-Income Energy Assistance Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$0	\$2,950,000	\$2,950,000
Revenues	0	5,950,000	1,625,000	1,625,000
Expenditures	<u>0</u>	<u>0</u>	<u>(1,625,000)</u>	<u>(1,625,000)</u>
Ending FY Balance without transfer	\$0	\$5,950,000	\$2,950,000	\$2,950,000
Recommended Transfer	<u>0</u>	<u>(3,000,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$0	\$2,950,000	\$2,950,000	\$2,950,000
<i>Fee Impact:</i> None.				

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Section 24 -- High Cost Administrative Fund -- \$15,000,000

Department of Regulatory Agencies

High Cost Administration Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	(\$40,655)	\$7,244	\$7,244	\$7,244
Projected Revenues	167,667	100,837	106,227	104,859
Expenditures	<u>(119,768)</u>	<u>(100,837)</u>	<u>(106,227)</u>	<u>(104,859)</u>
Ending FY Balance without transfer	\$7,244	\$7,244	\$7,244	\$7,244
S.B 09-272 Transfer	<u>0</u>	<u>0</u>	<u>15,000,000</u>	<u>0</u>
Recommended Transfer*	<u>0</u>	<u>0</u>	<u>(15,000,000)</u>	<u>0</u>
Ending FY Balance after transfer	\$7,244	\$7,244	\$7,244	\$7,244
<i>Fee Impact:</i> None. This fund exists to support the administrative costs associated with the High Cost Support Mechanism, which is funded through assessments against utility companies. The transfer of \$15.0 million will not increase the assessment, or impact the administrative costs.				

*Recommended Transfer is contingent on the transfer from S.B. 09-272.

Section 25 -- Licensing Services Cash Fund -- \$2,589,894

Treasury Department

Licensing Services Cash Fund JBC Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Beginning FY Balance	\$0	\$1,153,828	\$1,994,632	\$1,679,648
Projected Revenues	6,870,708	7,507,471	7,908,125	9,302,113
Expenditures	<u>(5,716,880)</u>	<u>(6,666,667)</u>	<u>(5,633,215)</u>	<u>(6,396,800)</u>
Ending FY Balance without transfer	\$1,153,828	\$1,994,632	\$4,269,542	\$4,584,961
Recommended Transfer*	<u>0</u>	<u>0</u>	<u>(2,589,894)</u>	<u>0</u>
Ending FY Balance after transfer	\$1,153,828	\$1,994,632	\$1,679,648	\$4,584,961
<i>Fee Impact:</i> None				

*Proposed Transfer is contingent on the passage of S.B. 09-276.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF S.B. 09-280: CONCERNING FUNDING FOR CAPITAL CONSTRUCTION, AND MAKING SUPPLEMENTAL APPROPRIATIONS IN CONNECTION THEREWITH.

Prime Sponsors: Senator Keller, Representative Pommer

Bill Summary

The bill:

- Reduces \$85.4 million (\$82.1 million from the Capital Construction Fund) from previously approved construction and maintenance projects that were frozen by the Governor to address the budget shortfall. Projects selected for reduction were in a design or planning phase and not related to life/safety.
- Provides \$26.6 million spending authority from the Capital Construction Fund to the Higher Education Federal Mineral Lease Revenues Fund to supplement federal mineral lease revenues and make lease purchase payments for academic buildings.
- Makes miscellaneous changes to cash funded construction projects.

For a complete list of the projects impacted by the construction supplemental bill, please see the Capital Construction section of the Long Bill Narrative.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 09-1267: CONCERNING THE REMOVAL OF STATUTORY PROVISIONS DESCRIBING PERVASIVELY SECTARIAN EDUCATIONAL INSTITUTIONS.

Prime Sponsors: Representative Todd and Senator Bacon

Bill Summary

This bill is in response to a 2008 decision by the U.S. 10th Circuit Court of Appeals (Colorado Christian University v. Weaver, 534 F.3d 1245), which found that Colorado's law prohibiting state financial assistance to students attending a pervasively sectarian institution is unconstitutional. The court found that the standard is discriminatory and represents an "intrusive scrutiny of religious practice and belief."

This bill conforms statutes to the court order by striking current language pertaining to "pervasively sectarian" institutions. It adds language that prohibits assistance to students pursuing professional degrees in theology or degrees in preparation for careers in the clergy.

Fiscal Impact

The number of student full-time equivalents expected to qualify for stipends at pervasively sectarian institutions, but who are not pursuing professional degrees in theology or in preparation for the clergy, is 93. At a stipend rate for students attending private institutions of \$465, implementation of the bill requires **\$43,245 General Fund**.